

Testimony Provided to the House Committee on Energy & Environment February 14, 2013

Chairman Hedke, and members of the Committee:

We appreciate the opportunity to provide testimony opposing HB 2241. Kansas has been a leader in creating market opportunities and stimulating industry investment in the state. The existing policy works well, and we see no reason for change.

Vestas is the world's largest manufacturer of wind turbines, supplying more than 50,000 wind turbines to 72 countries over the past 33 years. Vestas has been in Kansas since 2001, when we supplied turbines for the Gray County Wind Farm. Since then, we've installed more than 400 turbines here, and currently employ about 50 people at four sites: Smoky Hills (Lincoln County), Meridian Way (Cloud County), Central Plains (Wichita County), and Caney River (Elk County). Vestas service technician jobs are permanent positions with salaries of \$40,000 to \$50,000 per year, plus generous benefits for our employee and their family. We also recently announced a deal with Fort Hays State University to supply two turbines and will help save the college about \$600,000 to \$1 million per year on energy costs. Vestas is more than about selling wind turbines. We enter into relationships with our customers and the communities they serve that extend over 20 years or more, which means we are here for the long haul.

In addition to jobs here in Kansas, Vestas employs more than 1,200 American workers at four manufacturing facilities in Colorado. We've invested nearly \$1 billion over the past five years in these facilities, creating many jobs during tough economic times. Vestas selected Colorado as the base for its manufacturing facilities for many reasons, including access to transportation and skilled workforce. We evaluated many states before making such a significant investment, and one factor was Colorado's strong pro-business climate, especially the state's support for renewable energy with an RPS in place since 2004. Our turbines now comprise about 80% domestic content, thanks to a broad supply chain network across the United States. Policies like the Kansas RPS have created market opportunities that encourage private investment in domestic manufacturing.

Kansas is in a unique position to be able to develop its significant wind resources — both for use by Kansas families and businesses, and for export to consumers throughout the region. Maintaining the state's stable policy drivers will facilitate more private investment and help to increase domestic energy production. Vestas works closely with a number of manufacturing companies that are prepared to invest in the U.S. but are hesitant due to the lack of policy stability, both at the state and federal level.

The wind industry is part of a global economy, and the competition for investment and manufacturing is strong among different regions of the world. Other countries have made long-term commitments to secure clean energy investments, particularly Europe and Asia. Stable state policies like the RPS drive new development and further reduce wind energy's cost, bringing both local economic benefits as well as supporting a broad manufacturing supply chain across the country.

Kansas has been a good state for our business. We hope to continue to play a role meeting your future energy needs. Thank you for the opportunity to share our views.

Susan Innis, Senior Manager, Public Affairs Tel: (303) 655-5534 Email: suinn@vestas.com