House Committee on Energy and Environment

Steven Cowen, Governmental Affairs Manager – Kansas

HR 6015 - Support – March 14, 2013

Good morning Mr. Chairman and members of the committee. My name is Steven Cowen and I serve as Black Hills Energy's Governmental Affairs Manager for Kansas. Black Hills Energy provides natural gas service to 110,000 customers in 58 Kansas communities. I offer written testimony today in support of HR 6015, which encourages the State of Kansas to study the use of compressed natural gas (CNG) as an alternative fuel.

A study by the state Department of Transportation, the Turnpike Authority, and the Department of Administration will enable Kansas to have a road map for how best to consider the use of this fuel. This resolution is a step in the right direction for the state to evaluate its options in joining neighboring state governments, and its own private sector companies, in assessing potential benefits of CNG as an alternative fuel.

In the United States alone, natural gas replaced nearly 360 million gallons of gasoline in 2011. About 90 percent of the natural gas used in the United States is from domestic sources, reducing our reliance on foreign oil for gasoline. And with stable natural gas prices at a 10 year low, the price for natural gas is less than half that of the same amount of energy in a gallon of gasoline.

Other states are currently advocating the use of CNG. Governors John Hickenlooper (D-CO) and Mary Fallin (R-OK) are leading a bipartisan group of 22 states seeking to incorporate CNG vehicles in their state fleets. After issuing an RFP to the automobile industry, last fall they received more than 100 bids by dealerships in 28 states with Oklahoma receiving 242 new Dodge ¾ ton bi-fuel CNG/Gasoline pickups this week.

Black Hills Energy drives home the fact that abundant, domestic natural gas is a clean, cost-effective alternative to gasoline and diesel fuel for operating commercial fleet vehicles, from school buses to sanitation trucks. We have a partnership with the City of Lawrence so they

can study the use of NGVs in their fleet. Black Hills Energy and another company converted a City Ford F-150 pickup to run on compressed natural gas or gasoline and the truck utilizes the BHE private fueling station.

We have partnered with the City of Liberal, the Seward County Community College/Area Technical School and industry partners to host a NGV workshop for public and private sectors to highlight the many benefits of natural gas vehicles, vehicle conversions and NGV fueling station development. Partnerships exist in other Kansas communities such as Garden City, Dodge City and Wichita in providing similar workshops.

Additionally, Black Hills provides assistance to municipal, county, state and private fleet operators throughout our service territory with no obligation consultations from organization experts.

There are about 120,000 natural gas vehicles on U.S. roads today and more than 14.8 million worldwide. With more than 1.2 million miles of natural gas pipelines crossing the country, supplies are readily available for new fueling stations. Currently there are more than 1,000 private and public natural gas fueling stations across the country, and stations are being built at an increasing rate.

Natural gas vehicles are rapidly gaining favor with fleet owners and operators attracted to the environmental benefits and potential financial rewards. NGVs are good for our economy and anyone looking to trim budgets and improve the bottom line. There are opportunities for both the private and the public sector to take advantage of CNG as an alternative fuel and now is the right time for the state to assess these opportunities with a study.

Black Hills offers ourselves as a partner in helping our state government better understand the potential opportunities in broader adoption of NGVs.

I thank you for your time and look forward to working with you on this issue. Should you have any questions or comments I can be reached at 785-832-3938 or steven.cowen@blackhillscorp.com.