



**CPV RENEWABLE ENERGY  
COMPANY, LLC**

*Testimony Provided to the*  
**House Energy and Environment Committee – March 19, 2013**  
*CPV Renewable Energy Company, LLC*

**Amended HB 2241**

Chairman Hedke and Members of the Committee,

Thank you for the opportunity to provide testimony on the Amended House Bill 2241 (the “Bill”). CPV Renewable Energy Company, LLC (“CPV”), along with the members of The Wind Coalition, respectfully takes an opposing position on the revised language within the Bill, of which CPV has previously voiced opposition to.

CPV is a leading developer of wind farms in the North America with a portfolio of over 2700 MW in development. We work closely with local communities to develop and construct sustainable energy projects as a long term neighbor.

In the past year, CPV has brought almost 300 MW and over \$600M in capital investment to Kansas through the successful development of two wind farms in Gray County. The two phases of the Cimarron Project have been in development since 2007. CPV’s Cimarron Project is a 165 MW facility which became operational in November of 2012, and was recently sold to NextEra Energy Resources. The project is contracted with and exports power to the Tennessee Valley Authority under a 20 year Power Purchase Agreement. CPV was also responsible for the development and contracting of the Cimarron II Project, now owned by Duke Energy Renewables. It is a 131 MW facility that became operational in June 2012, and is contracted with Kansas City Power and Light for a 20 year Power Purchase Agreement. Both projects utilize Siemens wind turbines, produced in Hutchinson. The two projects have created over 300 construction jobs and up to 20 long term operations and maintenance positions.

Additionally, CPV has invested several million dollars to develop a third wind farm in western Kansas. The Keystone project, located in Scott County is a construction ready 100 MW facility scheduled to be in operation in 2014.

Kansas has provided wind energy developers, manufacturers, and the industry as a whole an ideal environment in which to conduct business. The current RPS has fueled much of the growth in these sectors as it has allowed local utilities to procure renewable wind energy from home grown wind energy facilities throughout the state. Pro-energy sentiment has allowed wind developers to work closely with communities to invest significant development dollars towards the construction of facilities to not only support the Kansas RPS, but also to invest in the community as a longtime partner.

The continuing construction of wind energy facilities has led to significant investment from manufacturers such as Siemens, in order to support the growing demand for equipment and service support. The Southwest Power Pool (“SPP”) has worked with stakeholders and utilities to significantly invest in the local transmission system to support the growing need for capacity not only to service local growth through RPS requirements, but set up the energy market for export opportunities. Such export opportunities have been taken advantage of by multiple developers, including CPV.

However, by now requiring the 20% energy threshold to be met by 2030, such action will significantly reduce the rate of growth the State is experiencing in the wind energy sector. By including “good cause” options for participating utilities to be able to not be required to purchase energy due to such issues as the lack of firm transmission, it does not allow for problem solving between developers and energy purchasers. These problems can be resolved through creative deal structures whereby developers are willing to take on financial risk until such time firm transmission is available. In addition, calculating the future energy requirement thresholds based upon today’s energy use levels is not reflective of energy market trends. These changes in regulatory climate will negative signals across the industry, including developers, manufacturers, and the transmission service providers. If local utilities are no longer encouraged nor incentivized to purchase wind energy on a steady pace, SPP may reconsider the continued expansion of the electrical grid to support the influx of energy and economic development in the rural parts of the State. This could effectively remove the ability for developers to sell power locally, or export Kansas’s wind energy to other states. In turn, this will lead to a significant reduction in development capital deployment in the state, as wind energy developers will move on to other wind energy friendly states nearby. With less development comes less construction of facilities, leading to a substantial impact to the manufacturing industry which has invested significantly in the state. Newly formed jobs will be quickly reduced in numbers. A once thriving industry that is supporting electricity demand with renewable, cost competitive energy while investing heavily in rural communities will greatly lose momentum, affecting companies and people in this State and nationwide.

CPV and the Wind Coalition urge you to continue the current the RPS requirements. The RPS along with Kansans’ pro-wind energy sentiment have allowed Kansas to be number one in the United States for wind energy facilities this past year, and can allow for many more installations in the years to come. CPV has enjoyed working within the state, partnering with local communities and state stakeholders to make significant wind energy investments come to fruition.

CPV continues to support Kansas RPS requirements and will continue to invest in developing wind energy projects in the state under the current regime. We, along with the industry as a whole, ask you to consider the potential negative effects of decisions at hand as you move through this process.

Thank you for the opportunity to provide this testimony.

Sincerely,



Sean J. Finnerty  
Senior Vice President – Renewable Energy