



Testimony Provided to the

Senate Utilities Committee February 5, 2013
SB 82 Amending the Renewable Energy Portfolio Standard

Chairman Apple and Members of the Committee,

On behalf of BP, I, Karl Pierce, Business Developer, BP Wind Energy, appreciate the opportunity to provide written testimony to the committee regarding SB 82 as it relates to the amendment of the state's RPS.

BP is one of the world's largest energy companies. In the U.S., BP has approximately \$52 billion in assets and employs some 23,000 staff. The company's main businesses are exploration and production of oil and gas; refining, manufacturing and marketing of oil products and petrochemicals; transportation and marketing of natural gas.

The growth of the wind industry is a great made-in-America story that has been spurred by voluntary RPS mandates across many states in our nation, including Kansas. Wind generation deployed in the U.S. is capable of supplying electricity to 10 million homes. Over the last several years, the wind industry has invested between \$10-20 billion annually in the U.S. economy; it has driven the creation of some 420 facilities located across the country that manufacture equipment for turbines for wind farms; and the industry now supports 75,000 direct jobs across the nation.

BP entered the United States market when we identified Wind Energy as the most viable alternative energy source and our investments, along with many others', have contributed to the growth in technology that has given rise to Wind becoming a real made-in-America success story. The investment dollars companies have put into Wind Energy has been a boon to both U.S. manufacturing and the Kansas economy.

Today, BP Wind Energy is a leading owner and operator of wind power facilities in the U.S., with interests in 16 operating wind farms with nearly 2.6 gigawatts (GW) of capacity, enough power for 780,000 average American homes.

BP is proud to be working in the state of Kansas that has such a rich abundance of home-grown, clean energy. BP views Kansas as a great state in which to make investments. As a direct result of voluntary RPS standard in Kansas, Wind Energy has been added to the growing list of Kansas export commodities, alongside natural gas, beef and wheat.

Together with its partner, BP invested over \$800 million in developing the Flat Ridge 2 wind project that is now operating some 200 miles to the southwest of Topeka. The project created some 500 jobs during its construction. Thirty permanent jobs were created to monitor and maintain the facility now it is operational. The project is utilizing firm, point-to-point transmission through the Southwest Power Pool to deliver to three out-of-state customers the entire power output of 470 MW.

Over the lifetime of the Flat Ridge 2 wind farm, the landowner group will be paid \$20 million in royalties. This significant additional source of income helps keep farmers and ranchers on their land, as stewards of their land. Rural communities where Flat Ridge 2 is located will receive a further \$20 million infusion over the lifetime of the project.

In 2012 and 2013, the construction of the Flat Ridge 2 wind project delivered an additional \$23 million to the state of Kansas – through contracts awarded to Kansas-based companies, income derived from the living expenses of workers in motels, RV parks and apartments, and local spending in restaurants and gas stations in the communities where the project is built.

In addition to the 520 MW Flat Ridge complex, BP has an opportunity to build a further 700 MW of which 280 MW could be shovel ready this year.

We believe Wind Energy investment represents a long-term, “win-win” opportunity for BP Wind Energy, the state of Kansas, its communities, and private landowners. To date the progress Kansas has made in attracting wind investment to the state is a great achievement and in 2012, Kansas led the nation in the number of Wind Energy megawatts constructed. A brand new industry has emerged and the opportunity in Kansas is both real and considerable.

Senate Bill 82 threatens Kansas’ ability to realize its full potential as a key producer of clean, renewable Wind Energy for the nation. For these reasons, we respectfully state our opposition to Senate Bill 82.

Again, thank you for the opportunity to provide testimony to the Committee.

KARL PIERCE