House Energy & Environment Committee

Testimony in Opposition to HB 2373

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Mr. Chairman, committee members: Thank you for the opportunity to speak about wind energy in Kansas and the positive economic impact it has had for the past nearly 15 yrs.

Our client is NextEra Energy Resources (NEER). NEER built the first wind farm in Kansas in Gray County and currently has two other wind farms in Gray County. The Cedar Bluff development will be under construction soon in Ness & Trego counties. *Please see more info on NEER on the next page.*

NextEra Energy has several billion dollars to invest this year in development across the country. Over the past five years, NEER investments in energy in the U.S. have been so significant that this Fortune 100 company is a top ten investor across all sectors. This is private money used to grow jobs in Kansas and other states. Typically when a company comes to Kansas wanting to invest their money, we court them in many ways, with incentives, tax policy, etc. Why should wind developers be treated differently than other companies? You may be interested in the courting of a company in Oklahoma which is investing over one billion dollars in a fertilizer plant in Enid, OK. That company is receiving $148.7 M in TIF financing for the project. (*Please see the attached Wichita Eagle story about this plant.)*

PLEASE NOTE: NEER is not asking for incentives for its projects. NEER is asking for a positive and stable business and policy environment. The planning to invest hundreds of millions of dollars in a wind project takes a few years. We need to know that what is being planned today can be carried out with the same parameters in place when the shovel hits the dirt and the turbines first start turning. A number of different contracts are written during this process: Power purchase agreements (PPA), landowner agreements and payment in lieu of taxes (PILOT) contracts which last for the life of the project. It is a very sticky business when the Legislature inserts itself into ongoing contractual agreements between other parties.

The first decade of this century was a trying time for the Kansas economy and resulted in a net loss of jobs. Roughly during this time, the wind industry was quietly growing and since their inception in 2001 to today created about 13,000 jobs.

Your decisions as legislators are not easy ones. Governing by cliché is not an effective way to deal with the tough issues you face. You have heard the clichés on this topic: "we don't like government mandates" or "the government shouldn't pick winners and losers." As for government mandates, what legislation is not a mandate? More specifically related to electric utilities, what is not mandated when it comes to delivering electricity to every Kansas home and business? If you happen to live several miles out in the country, you are likely very thankful a power company of some kind has been mandated to deliver power to your door. Wind generated power from Kansas is the one power choice which can be offered to wholesale electric customers.

As for picking winners and losers, Kansas statutes indicate favorable treatment across the board for businesses in the energy sector.

Repealing the RPS will not level anyone's playing field. It will more likely scare off future investments by legitimate companies who are willing to put their money in Kansas. It's time we set aside this debate and welcome the needed jobs and capital investment to our state. I urge you to vote no on HB 2373.

NextEra Energy Resources
The largest owner and operator of wind-generating facilities in the United States, with a total wind power capacity of 10,210 MW

Kansas Summary
- About 18 employees across three wind farms totaling 376.7MW
- Over $635MM invested since 2001
- More than $2.4 million in annual landowner payments
- Over $900,000/year in donation agreements to Gray County
- Annual payroll of more than $2 million

Gray County Wind Farm *(Montezuma, KS)*
- 112.2 MW site using 170 Vestas V47 technology turbines
- COD date November, 2001 with an initial investment of $105MM
- PPA with KCPL and Sunflower

Ensign Wind Farm *(Gray County)*
- 98.9 MW site using 43 Siemens 2.3 technology turbines
- COD date November, 2012 with an initial investment of $175MM
- PPA with KCPL

Cimarron Wind Farm *(Gray County)*
- 165.6 MW site using 72 Siemens 2.3 technology turbines
- Acquired December, 2012 with an initial investment of $355MM
- PPA with TVA

Proposed Development – Cedar Bluff *(Ness and Trego Counties)*
- 200 MW site
- $365MM proposed investment
- Possible completion in 2016