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**RE: Written Testimony on HB 2241**

March 19, 2013

Dear Chairman Hedke and Members of the Committee,

EDP Renewables North America LLC ("EDPR") appreciates the opportunity to provide testimony to the House Standing Committee on Energy and Environment on HB 2241. EDPR respectfully stands in opposition to this bill.

EDPR is the third largest wind energy developer/owner/operator in the United States. With over 300 employees, 10 offices, and 29 wind farms across the United States, EDPR has developed more than 4,000 megawatts (MW) and operates over 3,800 MW of wind farms. This includes a substantial investment in Kansas.

EDPR owns and operates the 201 MW Meridian Way Wind Farm in Cloud County. Today, both Westar Energy ("Westar") and The Empire District Electric Company ("Empire") purchase clean, renewable electricity from Meridian Way through power purchase agreements (Westar: 96 MW; Empire: 105 MW). This purchased electricity contributes toward both utilities' Renewable Portfolio Standard (RPS) requirements and provides them with stable long-term pricing for the energy produced. EDPR has invested over \$340 million in the Meridian Way Wind Farm, and EDPR and the Cloud County Board of County Commissioners have entered into a gift agreement worth \$5.5 million. Construction of Meridian Way created 285 local construction jobs; today, 19 Kansans are employed at the facility. Additionally, local landowners receive substantial royalty payments for the duration of the project.

EDPR maintains its Kansas development pipeline from our Overland Park Development Office, and has nearly 1,000 MW of projects in varying stages of development across the state. EDPR values its presence in Kansas and its relationships with landowners, community leaders, state officials, and power customers, and we look forward to maintaining a strong presence in the state.

The RPS has been inaccurately criticized as being "anti-free market." The energy market in Kansas is, by design, not a free market – it is a regulated market with only a select handful of market participants. The RPS provides Kansas ratepayers with long-term protections that the energy market structure currently does not. The RPS provides many benefits, including economic development (particularly in rural areas) and protection to ratepayers from fuel price volatility. Wind energy is cost-competitive with other forms of new electricity generation, including conventional generation such as natural gas and coal. Kansas ratepayers benefit from an increased wind energy portfolio in the state, as Kansas utilities (such as Westar and Empire) are able to procure wind energy at a fixed cost for 20 years or more. Thus, the procurement of wind energy by Kansas utilities provides a hedge against the unpredictable fuel costs associated with conventional generation. Furthermore, wind energy development and operation across the state has created local jobs and provided billions of dollars in economic investment throughout rural Kansas.

Companies like EDPR require a stable policy environment based on sound economic reasoning in order to conduct business and manage their fiduciary interests. When the Kansas Legislature prioritized a stable, business-friendly policy environment that sought energy diversity and protected consumer interests, EDPR chose to invest heavily in the state. HB 2241 would introduce unnecessary regulatory uncertainty, expose companies that have invested billions of dollars in the Kansas economy to unwarranted financial risk, undermine the economic development opportunities of rural Kansas counties, and expose ratepayers to additional price volatility risk.

The presence of an RPS in Kansas is indicative of the state's commitment to energy security, local and rural economic development, and the interests of its ratepayers. Legislative decisions on its future should be based on the real impact it has had on Kansas, and not on speculative hyperbole from select special interests.

Rorik Peterson  
EDP Renewables North America LLC