



The Wind Coalition

Overview of Wind Energy in Kansas

2nd best wind resource in the nation

23 operating projects, 4 under construction, 2 construction announcements, 4 research institution projects

- Projects recently announced moving into construction
 - 200 MW Buckeye Wind Project – Ellis County – Lincoln Electric Systems (100MW)
 - 200 MW Cedar Bluffs Wind Project – Trego & Ness – Westar Energy
 - 400 MW Western Plains – Ford
 - 150 MW Slate Creek Project - Cowley County - Great Plains Energy/KCP&L
 - 200 MW Coffey County Project - KCP&L
 - 74 MW - Marshall County Wind Project - MJMEUC
 - 48 MW - Alexander Project - Rush County - Kansas City Board of Public Utilities & Yahoo!

Percent of Kansas Power by wind in 2013 – 19.4%

Kansas ranked 3rd in the US in 2013 for percentage of electricity delivered from wind

End of 2013, Kansas wind projects powered more than 870,000 average American homes

Attracted 7 new manufacturing facilities in Kansas

1st industrial wind project in Kansas came online in Gray County in 2001; 1st community wind project is under construction in Rush County with KCBPU & Yahoo as the major offtakers

Roughly 55% of our wind power is used in-state; 45% for export

Significant Cost Reductions

Wind energy is one of the most affordable forms of electricity today

Most cost-effective generation option for reducing carbon emissions

The levelized cost of energy (LCOE) for wind power has decreased 58% since 2009, and 15% in the last year

Cost reductions translate to direct consumer savings

- PPA being Apex Clean Energy and the Grand River Dam Authority (GRDA) in Oklahoma is expected to save GRDA customers about \$50 million over the project's lifetime.
- Xcel Energy's Southwestern Public Service Co. stated that three PPAs for wind projects currently under construction will "result in savings of about \$590 million, \$100 million of which is to go to SPS's New Mexico retail customers."

Environmental Mandates

According to recent filings to the Environmental Protection Agency (EPA), the Kansas Corporation Commission (KCC) and Kansas Department of Health & Environment (KDH&E) stated that more than \$3 billion is earmarked for emission reduction projects on the state's six largest coal-fired power plants to comply with various environmental mandates such as regional haze; ozone maintenance; Cross State Air Pollution Rule and Mercury and Air Toxics.

Kansas' RPS is also considered an accountability tool for compliance for the proposed Clean Power Plan.

Renewable Energy Poll Results

Conducted January 4-6, 2014 by NorthStar Opinion, a national, well-respected polling firm with Republican ties

68% of Kansans agree w/ Governor Brownback's "all of the above" energy policy

91% of Kansans support renewable energy – not many issues enjoy such strong support

76% support increasing the use of wind energy

75% support 2009 RPS law of 20% by 2020

71% agree using renewable energy helps keep electricity rates stable

68% support increasing the RPS to 25%

73% willing to increase their monthly bill by \$1 to increase renewables

Facts About the RPS

- Passed by the Kansas Legislature in 2009 as part of a comprehensive energy bill debated for two full legislative sessions. The final bi-partisan vote in the Senate was 37-2 and in the House was 103-18.
- Hedge against fuel price volatility and encourages power supply diversification.
- Hedge against federal environmental mandates which have been a major driver of electric rate increases in recent years
- RPS matters because it is a signal to the entire wind industry that Kansas continues have a stable policy environment that encourages growth and development of all forms of electric generation.
- The RPS spurs job growth and private capital investment.
 - More than \$8 Billion in new investment in about 10 years in Kansas
 - 13,000 new jobs - primarily during a time of economic stagnation and retraction
 - \$16,000,000 in annual landowner payments
 - \$10,000,000 in annual payments to the counties
 - Helped attract other businesses such as Siemens (Hutchinson) with 400 direct jobs and 450 indirect jobs and Mars (Topeka) with up to 400 direct and 475 indirect jobs
 - Significant economic development tool that does not use any State General Fund dollars.
- Like any industry, there is robust competition for jobs and capital investment. The states with stable and favorable environments win capital investment.

Rate Impact of the RPS

Per statute, the Kansas Corporation Commission (KCC) is required by statute to provide annual reports to the Legislature on the wholesale and retail rate impact of RPS compliance. Four such reports have been provided in years 2011, 2012, 2013 and 2014. The rate impact finding is based on data provided to the KCC by the utilities. The findings are below:

- Wholesale rate impact - 0% - 1.7% depending on the utility system
- Retail rate impact - 22/100th of a penny of the about 9.9 cents per kwh retail electricity cost in 2013 across the states - while supplying 15% of the peak demand.
- There is also a 1% price governor in the RPS statute stating that the **KCC is permitted to exempt any utility that can demonstrate that compliance with the RPS would cause retail rates to increase by more than 1%.**

In January 2014, KCP&L announced a new wind energy purchase from a project in Coffey County. KCP&L stated the **total benefits to their customers over 20 years included a \$600M savings from wind power** which reduces the need to use other kinds of fossil fuel.

In the case of Infinity's power purchase agreement with Sunflower, the **price was so low that Sunflower determined that it would have a neutral or negative impact on their customer's rates.** "Wind energy is produced for less than \$0.03/kWh in today's PPA environment, which is less than half of your retail rates," Matt Riley, CEO Infinity Wind Power before House Energy & Environment 2.14.13

Kansas City Board of Public Utilities just announced a new wind power purchase from a project in Rush County. They anticipate the project will provide **approximately \$900,000 in annual savings to customers.**

Fort Hays State University installed 2 Vestas wind turbines to help power the campus. The project came online in June 2013. **The project is forecasts an annual energy bill savings of nearly \$1 million for FHSU.**

Questions?

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Kansans For Wind Energy