

American Fuel & Petrochemical Manufacturers

1800 M Street, NW Suite 900 North Washington, DC 20036

202.457.0480 office 202.457.0486 fax afpm.org

March 10, 2024

Good morning, Chairman Thompson, and members of the Senate Federal and State Affairs Committee.

My name is Airika Brunson and I represent the American Fuel & Petrochemical Manufacturers. AFPM is a national trade association representing virtually all of the petroleum refining and petrochemical manufacturing capacity in the U.S.

In Kansas, our industries support roughly 39,000 direct and indirect jobs and contribute more than \$8.4 billion annually to the state economy. We represent three refineries in the state of Kansas. The average compensation at our refineries in Kansas is \$243,000, which includes salary and benefits. The refining industry paid \$945 million in state and local taxes. According to EIA Kansas state energy profile, Kansas consumed 65 million barrels or 2.7 billion across residential, commercial, industrial, transportation, and the power generation sector in 2021. Within the transportation sector, Kansas consumed 1.9 billion gallons of petroleum products in 2021. Per calendar day kansas refines about 404,000 barrels of oil.

AFPM supports HB 2783 and respectfully requests members of this committee to vote favorably for this legislation.

California air regulators recently adopted new automobile emissions standards more stringent than those currently enforced by the U.S. Environmental Protection Agency. The 49 other states in the union can elect to adopt these California standards as their own or keep their existing automobile emissions standards set by the EPA.

A major component of these California standards is an electric vehicle mandate. Starting in 2026, states that have adopted these California standards must have 35 percent of new car sales be electric. This mandated percentage increases each year until 2035 when 100 percent of all new cars must be electric, which is effectively a ban on any new cars with internal combustion engines powered by gasoline, diesel, or any other liquid fuel, including biofuels.

AFPM's stance is simple. Sales of electric vehicles in Kansas, or any state for that matter, should be driven by consumer demand, not bureaucrats in Sacramento or anywhere else.

What HB 2783 does is preserve consumer choice in Kansas. It allows those who want to purchase and drive an electric vehicle to do just that; but it also allows those who would prefer to drive gas- or diesel-powered cars into the future to do that, as well. Should this legislation be enacted into law, new cars sold in Kansas would still be regulated by EPA's emissions standards so that new cars can be operated in a manner that ensures public health, safety, and environmental quality. HB 2783 also signals to industry that Kansas is a safe harbor for both agricultural and oil and gas investment. Your investment, your business and your industry are safe to operate and expand in Kansas.

In closing, AFPM would like to thank Chairman Thompson and the committee for allowing us to testify today. We respectfully urge the committee to support HB 2783.

Thank you very much for your time and attention.