



SUBMITTED REMARKS

TO: Chairman Carl Holmes
And Members of the House Energy & Utilities Committee

FROM: Whitney Damron
On Behalf of The Empire District Electric Company

RE: Wind Energy; Kansas Renewable Portfolio Standards

DATE: January 23, 2012

Chairman Holmes and Members of the Committee:

The Committee has requested information on how electric providers are meeting state Renewable Portfolio Standards (RPS) both now and in the future.

Mr. Tim Wilson, Director of Energy Supply Services for Empire provided me with the following information from Empire's 3rd Quarter 10Q filing:

"We (Empire) currently purchase more than 15% of our energy through long-term Purchased Power Agreements (PPAs) with Elk River Windfarm, LLC and Cloud County Windfarm, LLC. Through these PPAs, we generate about 900,000 renewable energy certificates (RECs) each year. A REC represents one megawatt-hour of renewable energy that has been delivered into the bulk power grid and "unbundles" the renewable attributes from the associated energy. This unbundling is important because it cannot be determined where the renewable energy is ultimately delivered once it enters the bulk power grid. As a result, RECs provide an avenue for renewable energy tracking and compliance purposes"

"We have been selling the majority of our RECs and plan to continue to sell all or a portion of them moving forward. As a result of these REC sales, we cannot claim the underlying energy is renewable. Once a REC has been claimed or retired, it cannot be used for any other purpose. Over time, we expect to retain a sufficient amount of RECs to meet any current or future RPS."

In addition to wind energy, Empire also generates 16 MW of hydro power at its Ozark Beach generation facility. In summary, Empire utilizes all of the REC's required to meet mandated requirements and sells any excess credits.

The Elk River Wind Farm is owned and operated by Iberdrola Renewables and the Cloud County Wind Farm is owned and operated by Horizon Wind Energy.

WBD

See other side for Empire Energy Generation Portfolio.

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Unit	Energy Source	Rating MW	Regulatory State
*Asbury	Coal	207	Missouri
Iatan I & 11(12% Ownership) Plum Point (7.52% Ownership)	Coal	187	Missouri
	Coal	50	Arkansas
*Riverton	Coal and Nat Gas/Oil	283	Kansas
Energy Center	Nat Gas/Oil	262	Missouri
*State Line State Line (60% Ownership)	Nat Gas/Oil	94	Missouri
*Ozark Beach	Nat Gas	300	Missouri
	Hydro	16	Missouri
Owned Capacity		1,399	

Plum Point PPA	Coal	50	Arkansas
** 150 MW Elk River Wind Farm PPA	Wind	7	Kansas
** 105 MW Meridian Way Wind Farm PPA	Wind	8	Kansas
PPA Capacity		65	
TOTAL Capacity		1,464	

*wholly owned Facilities

**Capacity Restriction for wind