



Testimony Provided to the
House Energy and Utilities Committee March 15, 2012
Todd Eagelston, Senior Business Developer, BP Wind Energy
HB 2446

Chairman Holmes and Members of the Committee,

On behalf of BP, I, Todd Eagelston, Senior Business Developer, BP Wind Energy, appreciate the opportunity to provide written testimony to the committee regarding HB 2446 as it relates to the fulfillment of the state's RPS and to the permitting and construction of the Holcomb Power Plant.

BP is one of the world's largest energy companies. It is the largest energy investor in the United States and is the second largest producer of oil and gas in this country. In the U.S., BP has approximately \$52 billion in assets and employs some 23,000 staff. The company's main businesses are exploration and production of oil and gas; refining, manufacturing and marketing of oil products and petrochemicals; transportation and marketing of natural gas.

Wind power is a growing contributor to all power markets, it adds to the diversity of the U.S. energy portfolio, it enhances this nation's energy independence, it promotes rural development and it reinforces BP's commitment to deliver essential sources of energy and to provide, cost-competitive power to our customers.

The growth of the wind industry is a great made-in-America story that has been spurred by the nearly thirty states with renewable portfolio standards, including Kansas. Wind generation deployed in the U.S. is capable of supplying electricity to 10 million homes. Over the last several years, the wind industry has invested between \$10-20 billion annually in the U.S. economy; it has driven the creation of some 420 facilities located across the country that manufacture equipment for turbines for wind farms; and the industry now supports 75,000 direct jobs across the nation.

Today, BP Wind Energy is a leading owner and operator of wind power facilities in the U.S., with interests in 13 operating wind farms generating nearly 2,000 megawatts (MW) of renewable electricity, enough power for nearly 600,000 average American homes.

As a direct result of the voluntary RPS standard in Kansas, wind power has been added to the growing list of Kansas' export commodities alongside natural gas, beef, airplanes and wheat. BP is proud to be working in the state of Kansas that has such a rich abundance of this home-grown, clean, indigenous energy.

Together with its partner, BP is investing over \$800 million in developing the Flat Ridge 2 wind farm that is being built some 200 miles to the southwest of Topeka. The project will create some 500 jobs during its construction and some 30 permanent jobs to monitor and maintain the facility once it is operational. Over the lifetime of the Flat Ridge 2 wind farm, the landowner group will be paid some \$20 million. This significant additional source of income helps keep farmers and ranchers on their land as stewards of their land. Rural communities where the wind farm is located will receive a further \$20 million infusion over the lifetime of the facility.

In 2012, the construction of the Flat Ridge 2 wind farm will deliver an estimated additional \$23 million to the state of Kansas – through contracts awarded to Kansas-based companies, income derived from the living expenses of workers in motels, RV parks and apartments, and local spending in restaurants and gas stations in the communities where the wind farm is being built. This \$23 million will be keeping Kansans working.

BP, has the opportunity to build a further 750 MW in Kansas, some 450 MW of which could be shovel ready by 2013. This is in addition to the BP owned and operated Flat Ridge 1 wind farm in Barber County, KS where the power offtake has been sold to Westar Energy to help meet the utilities' RPS requirements. The Flat Ridge wind farm 1 served as a launch pad for Flat Ridge 2 and to future expansion projects that BP continues to bid into Kansas utilities to enable them to use the power to fulfill future RPS requirements.

BP believes that wind energy investments represent a long-term "win-win" opportunity for our company, the State of Kansas, its communities, and private landowners. To date the progress Kansas has made in attracting wind investment is a great achievement and in 2012, Kansas will lead the nation in the number of new wind-power megawatts being built. A brand new industry has emerged and the opportunity in Kansas is both real and considerable.

BP Wind energy has long supported an "all-of- the-above" energy strategy for the United States. For the foreseeable future, the nation will need ALL forms of energy generation to be developed in order to meet domestic demand while strengthening energy independence and maintaining a diversified energy portfolio. By opposing this legislation we pass no judgment on either the Court's decision or the merits of any concerns that those who would promote coal-driven power in Kansas might have about any impediments to that development. In light of those views which BP has always clearly expressed we oppose explicit linkage between the efficacy of a policy instrument that can help drive the development of new alternative energy and reach the policy goals mentioned above, and any constraints on the ability to develop coal-fired power generation. There is no good rationale for renewable energy development to be negatively impacted as the result of outcomes with which it has no connection. Neither should achievement of a broad-based, coherent energy strategy be thus obstructed.

The amendment added to HB 2446 threatens Kansas' ability to realize its full potential as a key producer of wind energy for the state and nation. The amendment sends the wrong message to wind energy developers, manufacturers and other companies looking to develop facilities in a wind energy rich state. For these reasons, we respectfully state our opposition to HB 2446

Again, thank you for the opportunity to provide this testimony to the Committee.

Todd Eagleston