

Testimony In Favor of HB 2227  
February 7, 2023  
Dave Kerr, Hutchinson

Chairman Delperdang and Members of the House Utilities Committee:

My name is Dave Kerr and I have served as Chairman of the Board of Kansas Ethanol, LLC since it opened in May of 2008. Our plant, located just south of Lyons Kansas, produces approximately 80 million gallons of fuel ethanol per year which is sold primarily in Kansas, Oklahoma and Missouri. We also produce half a million tons of high protein wet distiller's grains, the majority of which are sold to Kansas feedlots as very digestible, very desirable, feed for cattle. Some of the corn or sorghum oil (we like to run 60 to 80 percent sorghum) is removed from the distiller's grains and sold for making renewable diesel. We even compress and sell some of our CO2 to packing plants for flash freezing their products.

There are seven other ethanol plants of varying size in Kansas that do much the same things that we do. Taken together, we represent both a huge market for the products produced by our State's farmers and a major source of clean burning fuel additive. Nationally, about 98 percent of gasoline contains at least 10 percent ethanol. A growing percentage contains 15 percent ethanol. We also produce a lot of both direct and indirect good paying jobs.

Like all producers of transportation fuel, we are constantly looking for ways to reduce the carbon content in our products. In the case of Kansas Ethanol, we have invested a great deal of capital in things like lower carbon electricity generation and a Combined Heat and Power system. These steps have us on the verge of meeting the federal goal of a 50 percent lower carbon score than regular gasoline. If achieved, this would make us eligible for the designation "Advanced Biofuel" with the ethanol we produce from sorghum. This designation carries with it a modest but meaningful pricing premium.

The bill under consideration, HB2227, if amended with higher limits on commercial purchases, would have the potential to help us achieve our goal by allowing us to buy a component of very low carbon solar energy. We have considered both wind and solar installations at our plant, but it would clearly be better to allow others to build the green energy production facility and for us to concentrate on producing our low carbon products.

Thank you and I hope you will give serious consideration to passing HB 2227 with higher limits on commercial purchases. My suggestion would be to raise the limit from 200 kW to 2 megawatts or higher.