



Testimony Provided to the

House Energy and Utilities Committee - March 12, 2012

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Electric Generation Fuel Cost Discussion

Chairman Holmes and Members of the Committee,

Thank you for the opportunity to provide information to the Committee regarding the cost of new installed wind generation in Kansas. We have solid data to report as there are eight new wind projects under construction in Kansas to meet mid to year-end 2012 in-service dates.

The Wind Coalition represents forty wind developers and manufactures which operate across the United States, within the Southwest Power Pool (SPP) region and in Kansas. Of the ten operating wind projects in Kansas, nine belong to Wind Coalition members. All of the wind projects currently under construction in Kansas belong to Wind Coalition members.

The Coalition was asked to provide information on the cost of new installed wind generation. Wind resource plays a very significant role in the cost per kilowatt hour pricing. A range has been provided that should cover most project locations in Kansas. The prices below are for energy delivered to the customer thus include: development (wind speeds, permitting, environmental assessments, siting, engineering), balance of plant (construction, tower erection and commission) turbine supply, landowner payments, tax assumptions (local, state and federal), and transmission and interconnection service (studies, interconnection, line upgrades and wheels).

Scenario	Year 1 Price
With PTC	\$0.03 - \$0.04
Without PTC	\$0.055 - \$0.065 (current PTC is 2.2 cents/kwh)

Eight wind projects going online in Kansas in 2012. Pricing for those projects confirm the price ranges noted above. However most prices are much closer to the \$0.03 per kwh and some dip below the \$0.03 threshold.

The second point on which we were asked to provide information required the combination of wind and another generation resource to simulate a baseload generation scenario. Wind is an energy resource not a capacity resource thus how each utility chooses to buy and integrate wind can be different. Furthermore, each utility purchases wind power for different reasons so a blanket statement on price would not be exact information.

Thank you and I look forward to answering any questions.