

Dave Kerr
March 15, 2012

Chairman Holmes and members of the House Committee on Energy and Utilities,

Since leaving the Legislature in 2005, I have devoted a great deal of time and effort to trying to bring high quality jobs involving “alternative energy” to South Central Kansas. It is the success of one of those efforts that keeps me from being with you in person today. I am chairing the monthly board meeting of Kansas Ethanol, LLC, a provider of stable, well-compensated jobs and enhanced grain markets in Rice County and surrounding areas.

My testimony today is in defense of another renewable energy industry that has far more potential for both quality jobs and the importation of revenue. Kansas is believed to have more potential for wind energy development than any state except Texas. Wind developers will add more generation capacity here this year than in any other state. Some of that wind generation equipment will be made here, by Kansans working in quality jobs with outstanding benefits.

One example is Siemens’ North American Wind Nacelle facility in Hutchinson. From mid 2008 through mid 2009, we were locked in a battle with Iowa to get the plant located here. Iowa is the home of Siemens’ wind blade plant, which employs more than 650. It is a state with great incentives to attract wind manufacturers. Many wind companies and their suppliers have built their plants there.

Over the past five years, I have attended major wind industry shows in Chicago, Anaheim, Brussels Belgium and Husam Germany. Let me be very clear, Kansas is being greatly outspent in its effort to attract wind manufacturers. This includes our neighboring states of Iowa and Oklahoma. This does not mean that we cannot win projects. It does mean that we should be very cautious about doing things that send a signal of disinterest in the industry.

The Renewable Portfolio Standard is an important signal of interest in energy sources in addition to fossil fuels. I know that Siemens was acutely aware of Kansas’ record on renewable energy prior to their decision. In meetings with two of our Governors and with some of our major utilities, they were assured of Kansas’ commitment to having a component of renewable generation capacity.

In conclusion, one of the key measures of the quality of leadership of any organization is the consistency and long-term focus of its policies. It is a measure that reflects badly on the last couple of decades of our federal government’s energy policy. The lack of any long-term policy has meant that we have developed technology improvements in wind and other renewables at a much slower pace than many other countries despite great advantages.

The Kansas Legislature should show its ability to maintain a consistent policy in favor of developing a component of renewable generation. We should not be fooled by a mild winter and the cheapest natural gas prices since 9/11. Gas generation is currently cheaper than wind, but it won’t always be that way. It is unlikely we would be having this conversation if gas prices were the \$8+ (per mcf) of only a few short years ago. Developing renewable energy generation capacity is a long-term policy decision. Let’s treat it that way.