

Matt Riley Chief Executive Officer

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RE: Testimony In Opposition to HB 2241

Chairman Hedke and members of the Committee,

Thank you for the opportunity to provide testimony during these important hearings. My name is Matt Riley and I am the CEO of Infinity Wind Power. Infinity is a wind project development company that focuses on moving these important energy projects from the early phases of prospecting to the final stages of construction and operations. Infinity has been working in Kansas since our inception in 2008 and we feel strongly that state policies to date have provided the ideal environment for this type of investment. We are responsible for two projects now operating in Kansas, totaling more than 271 Megawatts ("MW"). In addition, Infinity has 3,500MW under development in the western Kansas region, planned mostly for exporting power to markets farther east.

Wind projects bring significant economic benefits to the surrounding communities and regions. Infinity's projects have created 300-400 full time construction jobs and dozens of long term employment opportunities. Millions of dollars per year will be paid directly to landowners with operating turbines on their property, in addition to well over \$20 million in PILOT payments paid to the local counties over the life of the projects. Infinity is also investing substantial capital every year to landowners simply for the rights to develop future projects in the region.

The development of a wind project takes several years, and in some cases even longer. Strong local, state, and federal policies are necessary for states like Kansas to attract the type of investment we have seen to date; last year totaling over \$3 billion. Kansans are also reaping the rate impact benefits of a RPS by getting inexpensive power. Wind energy is produced for less than \$0.03/kWh in today's PPA environment, which is less than half of your retail rates. This is



an important accomplishment for the wind industry in Kansas; one that would not have been achieved without sound long term policies, including the RPS.

Renewable portfolio standards are often the backbone of a state looking to attract the benefits associated with the wind energy industry. In the case of Kansas, the RPS has established an environment of favorable conditions within which a company like Infinity is willing to make substantial investments. Now that the industry has established Kansas as a strong domestic market, it's time to compliment that reputation with the emergence of an export market. With the proper policies in place Kansas can have both a low-cost domestic energy supply while at the same time reaping the economic development benefits of an industry supplying power out of state. Infinity has invested in this concept with the advancement of over 3,500MW in western Kansas specifically designed for export. The projects will be built out in 2018 and beyond, accompanying planned transmission line developments in the state. All told these projects will bring over \$7 billion of new investment and over 5,000 jobs.

The signal Kansas sent to the industry when enacting the RPS was strong, however the signal you would send if you repeal the RPS would potentially be even stronger in the opposite direction. It says to the industry and we're not welcome here anymore; that you would like to go in a different direction for your energy needs. I can tell you first hand that as a business owner I'm faced with deciding where to place our investment capital on a daily basis. Although Kansas has been a state of preference for Infinity, the surrounding states of Oklahoma, Texas, Nebraska, Missouri, and Iowa, to name a few, are poised to take advantage of an opportunity should Kansas present it. Nebraska, for example, is currently considering several legislative initiatives to support the expansion of the wind industry in their state. Business owners like me, who invest in many states across the U.S., look for sound state and local policies, like we did in 2009 when the RPS was put in place. We don't make policy, you do. We react to it. And so far it's obvious that the reaction to the RPS has been massive economic development, especially in the more rural areas of the state.

The RPS is modest, and because Kansas is such a good place to build wind projects, the utilities have easily met the goals with little to no rate impact. Because wind energy has become less and less expensive over the years, I think you'll find that the contracts put in place by the various



utilities within the past year or two will prove to be massive cost savers for the ratepayers of Kansas over the long term.

With a very low rate impact cap, this RPS is less a mandate than it is a goal. I view a repeal of the RPS as a no win situation for the state of Kansas. Because wind is so cost competitive the utilities are far ahead of their RPS goals. A repeal of the RPS would not change any utility behavior in the coming years, but would absolutely send a strong negative signal that will likely cripple the emerging export market and all the associated economic development benefits that accompany it. To my knowledge not one of the 30 states with a RPS has modified or eliminated that important policy. Kansas would be the first, sending a shockwave through our industry by saying, "thank you for your \$3 billion investment in 2012, but you aren't welcome hear any more." So I ask this committee, if the utilities are meeting and exceeding the RPS goals, then why risk this massive downside by sending such a negative signal. If your overall objective is to create jobs and attract investment to your state, then you should be looking at ways to strengthen the RPS and other policies related to wind energy. Therefore I urge you to vote NO to modify the state's RPS, and continue to encourage this economic success story.

Thank you very much for your time and attention to this issue.

Kind regards,

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Matt Riley

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