



*Testimony Provided to the*

House Energy and Environment Committee February 14, 2013  
HB 2241 Amending the Renewable Energy Portfolio Standard

Chairman Hedke and Members of the Committee,

On behalf of BP, I, Karl Pierce, Business Developer, BP Wind Energy, appreciate the opportunity to provide testimony to the committee regarding House Bill 2241 as it relates to the amendment of the state's RPS.

BP is one of the world's largest energy companies. 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.

The growth of the wind industry is a great made-in-America story that has been spurred by voluntary RPS mandates across many states in our nation, including Kansas. Wind Energy 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 Energy projects in the U.S., with interests in 16 operating wind farms with nearly 2.6 gigawatts (GW) of capacity, enough power for 780,000 average American homes. BP is proud to be working in the state of Kansas, a state that has such a rich abundance of home-grown, clean energy. As a direct result of the voluntary RPS in Kansas, Wind Energy has been added to the growing list of Kansas export commodities, alongside oil, natural gas, beef and wheat.

Together with its partner, BP invested over \$800 million in developing the Flat Ridge 2 Wind Energy project now operating in Harper, Kingman and Barber Counties. The project created some 500 jobs during its construction. Thirty permanent jobs were created to monitor and maintain the project. Flat Ridge 2 is utilizing firm, point-to-point transmission through the Southwest Power Pool to deliver to three out-of-state customers the entire output of 470 MW.

Over the lifetime of Flat Ridge 2, the landowner group will receive \$20 million in royalties. This significant additional source of income helps keep farmers and ranchers on their land, as stewards of their land. Rural communities where Flat Ridge 2 is located will receive a further \$20 million infusion over the lifetime of the project through contribution agreements.

During its construction, Flat Ridge 2 is delivered an 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 addition to the existing 520 MW Flat Ridge complex, BP has an opportunity to build a further 700 MW of which 280 MW could be shovel ready this year.

- ✓ We believe Wind Energy investment represents a long-term, “win-win” opportunity for BP Wind Energy, the state of Kansas, its communities, and private landowners. To date the
- ✓ progress Kansas has made in attracting wind investment to the state is a great achievement. In 2012 Kansas led the nation in the number of Wind Energy megawatts constructed. A brand new industry has emerged and the opportunity in Kansas is both real and considerable.
- ✓ House Bill 2241 threatens Kansas’ ability to realize its full potential as a key producer of clean, renewable wind energy for the nation. For these reasons, we respectfully state our opposition to House Bill 2241.

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

**KARL PIERCE**