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House Energy and Environment Committee
Neutral Testimony on HB 2241

Chairman Hedke & Members of the Committee,

Thank you for the opportunity to share some thoughts today on the Renewable Energy Standard in Kansas. ITC Great Plains is an independent, transmission-only utility operating in the Southwest Power Pool (SPP) region. In December 2012, ITC Great Plains energized the KETA line in Western Kansas. ITC Great Plains also recently celebrated the groundbreaking for the V-Plan line in south west and south central Kansas and is in the planning process for the Elm Creek - Summit line in north central Kansas.

ITC Great Plains is fully committed to investing in transmission infrastructure in Kansas and the SPP region. As a fully independent transmission company, we are solely focused on investing in necessary transmission infrastructure for reliability needs and emerging long-term energy policy objectives.

In the mid-2000's, there was a recognition that additional transmission infrastructure was needed in Kansas to meet both the emerging energy needs of the state, and the reliability needs of the system. As you are well aware, transmission assets in Kansas and across the United States are beginning to meet their intended life cycle and must be replaced with newer, more modern technology.

As planning discussions began at the SPP on the V-Plan project, the Kansas renewable energy standard encouraged development of wind projects and hence the development of a high voltage transmission line in south central Kansas. The renewable energy standard also encouraged economic development activity associated with wind projects and construction of the V-Plan project. In fact, developing and building necessary transmission infrastructure has led to regional support for wind projects and other generation within the state, too export energy outside the state.

Since 2006 and projected through 2021, SPP transmission expansion plans, balanced portfolio, priority projects, zonal sponsored, generation interconnection, regional and zonal reliability and transmission service investments in Kansas have or will total \$2 billion dollars or \$133.33 million per year. One quarter of all investments in SPP's transmission upgrade data base, are in Kansas. It is important to recognize that development of wind resources within Kansas has been a significant factor in this transmission development. Regardless of the mix of generation resources, this investment in infrastructure is dramatically improving the reliability and economic efficiency of the grid within Kansas.

ITC's portion of the V-Plan is projected to cost an estimated \$295 million. The SPP identified benefits of these priority projects, including the V-Plan, at \$1.5 billion in the SPP region over 40 years. The return on transmission investment in terms of benefits to the state far outweighs the total cost of construction of any transmission project. These projects also provide increased reliability and reduced congestion on the transmission system.

Thank you for the opportunity to submit written testimony.

Michael L. White, Manager, State Government Affairs

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