

January 23, 2013

Mr. Joe Seiwert, Chairman
Members
House Committee on Utilities and Telecommunications

Thank you for allowing me to speak today. I grew up on a farm and have been involved in farming for many years in Reno County. To provide economic stability to my family and my farming operation, I was employed and now retired from the Burlington Northern Santa Fe, formerly Santa Fe Railway.

In addition to my job, my wife and I were fortunate to have some oil and gas production on our land. This limited production was not enough to alter our fiscal planning, but enough to provide additional previously mentioned family and farm economic stability. With any luck, perhaps more is soon to come for our community with the recent activity in the Mississippi Lime in our area. I was interviewed in a December Kansas City Star article where I discussed the importance of oil and gas to the agricultural economy.

I am here today to speak the need of getting our newest form of energy to market, wind power. Just as oil and gas have been good for Kansas agriculture and rural communities, so is wind energy.

Being a stakeholder with the Heartland Alliance for Regional Transmission (HART), I am able to help promote additional transmission to provide the needed road to market for our new product. HART is comprised of landowners, community economic development representatives, and others seeking more transmission in the Southwest Power Pool footprint.

Kansas has the second best wind resource in the United States, only behind Texas. Kansas utilities are taking advantage of new wind costs of 3.5 cents per kilowatt hour, and less, to guarantee our current low rates stay low by acquiring wind power as hedge against future fuel price volatility and other generation uncertainties. However, they will soon reach their wind capacity needed for use in Kansas placing the focus on export.

Kansas is already exporting wind power to the Southeast US selling to the Tennessee Valley Authority and Alabama Power. Specifically, Alabama Power will acquire wind energy from Haskell and Grant counties delivered at a cost below their other avoided generation costs, as mandated by the Alabama Public Service Commission. Many such opportunities are on the horizon with the build out of more transmission to market. Residential customers in New England and Mid-Atlantic states paid an average of 15.5 cents per KWhr, some 5 cents more than Kansans last October. This 5 cent margin is more than enough to pay for the transmission needed.

Kansans are becoming more cognizant of our depleting water resources. An overlay of the maps of our state's depleting water resources and our state's wind resources illustrates that wind power stands to provide economic stability to many of the same areas of Kansas where the inevitable further reduction in irrigation will occur, particularly Southwest Kansas.

I encourage this committee to provide support, where applicable, to facilitate the building additional transmission to get our new product to market produced on the land of Kansas farmers and ranchers.

Thank you,

Mark Richardson
Stakeholder
Heartland Alliance for Regional Transmission
Hutchinson, Kansas