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Thank you for this opportunity. I would like to address the issues of rural economic development alluded to in HB 2711.

Kansas notably has very few incentives for large scale wind energy or community wind. I would direct your attention to an excellent study before the Kansas Energy Council - Community Wind Incentives, by Scott White, July 2007.

http://kec.kansas.gov/reports/Community_Wind_Incentives_July07.pdf

That report, through charts comparing Kansas with Minnesota, Iowa, and other states makes it abundantly clear that the issue of community owned wind has not been considered legislatively in Kansas in any comprehensive manner. Indeed, one could argue that where we have acted, it has been to the detriment of those seeking to make wind energy an economic locomotive for rural Kansas.

There seems to be an inclination in HB 2711 towards somehow incentivizing wind and community wind, especially as a carbon credit offered to coal development. But it also is very clear, that this bill will come nowhere near actually providing real incentives. I would like to discuss what is missing, if rural economic development based on renewable energy is indeed a goal of this legislation.

Net Metering - Kansas' existing statute regulating net metering has resulted in very little activity. Professional energy auditors actually inform schools and other entities that smaller scale renewable energy projects will result in economic loss. I do not understand how the provisions of HB 2711 change that or will result in any activity that would provide schools or others with income or lower their costs. Many other states have effective legislation that has made distributed generation and net metering a reality.

Renewable Portfolio Standards - Kansas has an understanding between the Governor's office and some of the utilities to purchase wind. However, there is nothing with the standing of legislation. Kansas has consistently refused to consider an RPS which has had the entirely predictable result of slowing wind and other renewable energy development. That is bad enough, but we are consistently told by the wind energy manufacturers that we are perceived as a state hostile to the development of our wind resources. Thanks to some enterprising citizens of Reno Co., we have a project on the ground in Hutchinson. This is great, because the AWEA map of manufacturing plants was starting to perfectly outline Kansas as a no-go zone, with plants popping up in Iowa, Minnesota, Arkansas, Oklahoma and Colorado.
http://www.awea.org/pubs/documents/Outlook_2007.pdf These are generally excellent jobs, and are followed by operations and maintenance jobs. I don't find an RPS in this legislation which would encourage wind arrays and manufacturers.

Property Tax Incentives -This is the one area where Kansas has some policy, but it is a Property Tax Exemption, which means each county negotiates with wind developers for a Payment in Lieu of Taxes (PILT). This seems like an incentive to developers, for example, Gray Co. developers negotiated a PILT in 2002 of \$300,000. But the county would have received approximately \$4.5 million in property taxes had the turbines not been exempted. I would argue that many, many counties and citizens would be more accepting of wind arrays if county governments and schools were participating in these profitable wind ventures at a more profitable level, as in Minnesota with its Production Tax paid on energy sales. HB 2711 does not address this issue and leaves every county to negotiate on their own resulting in large disparities between

counties, and little support from citizens.

Community-Based Energy Development (C-BED) - <http://www.c-bed.org> This is legislation designed to make community owned wind projects successful without excessively burdening utilities. C-BED is comprehensive legislation growing out of successes in Minnesota, home to over 235 Mw of community wind. Community-owned wind is estimated to have an economic impact factor of up to 10 times that of wind farms owned by outside investors. By that equation, Minnesota's community owned wind has the impact of 2,350 Mw of large array, investor-owned turbines. Nebraska enacted similar legislation this last session. HB 2711 considers nothing similar.

Because of our lack of policy on the issue, numerous rivers of federal funds flow past, or out of, our state towards wind energy projects elsewhere, where legislators have acted. Our lack of incentives or policies make projects unfeasible here and so we cannot tap those funds. Rurally owned energy projects in Kansas have not been able to access USDA Value Added dollars, or USDA §9006 grants for renewable energy projects. We have not accessed Renewable Energy Production Incentives (REPI) for schools and municipality projects. Clean Renewable Energy Bonds (CREBs) which could help financing are not being used to any extent here. Similarly, accelerated depreciation, and production tax credits have not been tapped here for community scale projects. Nor have we made available any large dollar state funding source that might ease financing. All of these are used by projects in other states which seriously promote community-owned and distributed renewable energy. HB 2711 as written will not facilitate Kansas projects as they seek these other financing sources and should be reconfigured in light of those goals

In sum no one should be surprised if we see little or no response from rural Kansas to the sections of this bill that ostensibly promote renewable energy development at the community level. I question whether an omnibus bill of this nature is the vehicle for this.

I would also like to address the issue of job creation near Holcomb. It is my understanding that the proposed coal plant portion of this bill will create approximately 110 jobs. I have no doubt these will be excellent jobs with good benefits, similar to those created by other coal-fired power plants. But I question the economic impact of those jobs beyond the immediate Holcomb area.

Using the power of Google, I found two references to job openings at newly created Walmarts: 325 and 525 jobs. Those jobs in no way matched the salary level or benefits of the Holcomb jobs, and they started in the \$10/ hour range. But assuming the Holcomb jobs pay 3 or 4 times that of Walmart jobs, we are looking at a salary impact for all of Western Kansas comparable to that of a large Walmart, located in Holcomb. I would like to see the state pursue a much larger, wider spread economic development strategy for all of rural Kansas, with Kansans owning more of their energy resources. HB 2711 does not do that as written.

Again, thank you for this opportunity.