

KANSAS HOUSE OF REPRESENTATIVES
Energy & Utilities Committee
Honorable Carl Holmes, Chairman

Testimony of Dennis Hedke
March 14, 2012

Mr. Chairman and Members of the Committee:

I want to thank you and to express my appreciation for the manner in which the proceedings of this week have been organized and supported by the Chairman and the members of the Committee, and for the many respondents who have come forth to express opinions and to share data supporting many of those opinions.

First and foremost, on the technical side, I wish to stress that I have the highest regard for each and every utility serving the people of Kansas. Many of them are in business to earn a fair profit, and some are non-profit cooperatives, owned by the people whom they serve. They provide valuable, essential services that we would be hard-pressed to live without.

They have been placed in a very unfortunate predicament, in my opinion, for a number of years running, due to certain ill-conceived political maneuvering, misinformation regarding global atmospheric conditions, and other factors.

Unbeknownst to most people sitting in this room, the residential ratepayers within the Westar North zone experienced cost increases of 37% from 2008 to the present; Westar South zone ratepayers, including myself, experienced increases of 23% over the same period. If you are a KCP&L residential ratepayer, your rates have increased by 42.7% during that period.¹

At this very moment in time, the state of Kansas is experiencing a feverish build out of renewable energy in multiple counties. This more than aggressive activity is happening – not due to market forces or demands by Kansas consumers – but is unquestionably due to mandates that this state imposed upon itself in 2009, due to the ‘deal’ that was cut between the then sitting Governor and the legislature, in the effort to bring on line the proposed expansion of a coal-burning power plant in the inventory of Sunflower Electric Power Corporation, a Touchstone Energy Cooperative. To date, not a single milligram of dirt has been moved at that long-delayed expansion.

These mandates followed philosophical, unscientific, unnecessary attempts to control earth’s atmosphere through public policy, an effort that is still underway today in this state, in our country, and across the globe.

BP Wind interests will have expended in excess of \$3 billion this year, before yearend, in order to beat the current Production Tax Credit (PTC) clock, set to expire 12/21/2012. There are currently very aggressive lobbying efforts underway in

Washington, DC, in Topeka, KS and countless other places, geared to gain an additional four years of PTC oriented incentives for wind energy in America.

Kansans need fundamentally reliable baseload, not the most inefficient, intermittent, expensive, mandated power money can buy. Yet, we have, I suggest, unwittingly agreed to mandate ourselves into the position where, if a stay is not upheld in a Washington, DC District Court, we will experience rolling 'brownouts', if not outright electricity 'blackouts' in parts of Kansas during the upcoming cooling season, the summer of 2012.

That potential reality comes about through modeling done by Westar, and is based on EPA guidelines related to the Cross-States Air Pollution Rules foisted upon all US utilities last July. Those rules are directly sourced from the unfounded claim that CO₂ is a 'hazardous' gas, and that other emissions coming from Southwest Power Pool plants will irreparably harm people living in downwind states.

If 'renewable storage' technology can be demonstrated to somehow assist in the delivery of more reliable baseload, then I will certainly support that technology, in spite of my opposition of mandates that were enacted in contradiction to free-market principles.

My reason for being here is simple: I want to save Kansas ratepayers the unnecessary coming economic anguish of millions upon millions, in fact billions upon billions of extra dollars moving from their homes and businesses, up through the smokestacks of Westar, KCP&L, Empire Energy – name the utility of your choice.

Furthermore, I want to significantly lower the rate increases derived from mandate-driven electricity costs that are on that 'skyrocketing' trajectory that was promised in January 2008 by then candidate Barack Obama.

I believe the time has come to materially alter the heretofore self-imposed mandates for renewable energy in this state, and I hope you in this committee will support HB 2446, as amended by the Committee of the Whole, and soon to be handled and worked by the committee.

Thank you very much for your time.

¹State of Kansas Citizens' Utility Rate Board