



*Testimony Provided to the
House Utilities Committee – March 15th, 2012
CPV Renewable Energy Company, LLC*

HB 2446 & The RPS Freeze Amendment

Chairman Holmes and Members of the Committee,

Thank you for the opportunity to provide testimony on the Kansas RPS Freeze Amendment (“Amendment”). CPV Renewable Energy Company, LLC (“CPV”), along with the members of The Wind Coalition, respectfully takes an opposing position on the Amendment.

CPV is a leading developer of wind farms in the North America with a portfolio of over 3500 MW in development. We work closely with local communities to develop and construct sustainable energy projects as a long term neighbor.

In the past year, CPV has brought over \$600M in capital investment to Kansas through the successful development two wind farms in Gray County. The two phases of the Cimarron Project have been in development since 2007. CPV’s Cimarron Project is a 165 MW facility currently in construction. CPV was also responsible for the development and contracting of the Cimarron II Project, now owned by Duke Energy Renewables. It is a 131 MW facility, contracted with Kansas City Power and Light for a 20 year Power Purchase Agreement. Both projects utilize Siemens wind turbines, produced in Hutchinson and will begin commercial operation later this year. The two Projects have created over 300 construction jobs and up to 20 long term operations and maintenance positions.

Additionally, CPV has invested several million dollars to develop a third wind farm to be located in Scott County. The Keystone project, located in Scott County is a 100 MW facility scheduled to be in operation in 2014.

Kansas has provided wind energy developers, manufacturers, and the industry as a whole an ideal environment in which to conduct business. The current RPS has fueled much of the growth in these sectors as it has allowed local utilities to procure renewable wind energy from home grown wind energy facilities throughout the state. Pro-energy sentiment has allowed wind developers to work closely with communities to invest significant development dollars towards the construction of facilities to not only support the Kansas RPS, but also to invest in the community as a long time partner.

The continuing construction of wind energy facilities has led to significant investment from manufacturers such as Siemens, in order to support the growing demand for equipment and service support. The Southwest Power Pool ("SPP") has worked with stakeholders and utilities to significantly invest in the local transmission system to support the growing need for capacity not only to service local growth through RPS requirements, but set up the energy market for export opportunities.

However, a freeze or repeal of the current RPS will significantly reduce the rate of growth the State is experiencing in the wind energy sector. Such an event will send negative signals across the industry, including developers, manufacturers, and the transmission service providers. If local utilities are no longer encouraged to purchase wind energy, SPP may reconsider the continued expansion of the electrical grid to support the influx of energy in the rural parts of the State. This could effectively remove the ability for developers to sell power locally, or export Kansas's wind energy to other states. In turn, this will lead to a significant reduction in development capital deployment in the state, as wind energy developers will move on to other wind energy friendly states nearby. With less development comes less construction of facilities, leading to a substantial impact to the manufacturing industry which has invested significantly in the state. Newly formed jobs will be quickly reduced in numbers. A once thriving industry that is supporting electricity demand with renewable, cost competitive energy while investing heavily in rural communities will greatly lose momentum, affecting companies and people in this State and nationwide.

CPV and the Wind Coalition urge you to continue the current the RPS requirements. The RPS along with Kansans' pro-wind energy sentiment have allowed Kansas to be number one in the United States for wind energy facilities this year, and can allow for many more installations in the years to come. This regime has also allowed CPV to be successful in leading the successful development and construction of the Cimarron wind energy facilities in Gray County this year.

CPV continues to support Kansas RPS requirements and will continue to invest in developing wind energy projects in the state under the current regime. We, along with the industry as a whole, ask you to consider the potential negative effects of decisions at hand as you move through this process.

Thank you for the opportunity to provide this testimony.

Sincerely,



Sean J. Finnerty
Senior Vice President – Renewable Energy