Mr. Carl Holmes, Chairman March 15, 2012
Members
House Committee on Energy and Utilities

Mr. Chairman and Committee members, thank you for allowing me to submit this testimony regarding modifying the Renewable Portfolio Standard (RPS). I grew up on a farm and have farmed for many years in Reno County. The RPS should remain intact to provide economic stability, not only to the wind industry, but also to the rural communities they support. To be clear, I view our need for diversified energy sources from the same prospective as Governor Brownback; "all-of-the- above". The seemingly endless delay of Holcomb II has been detrimental to the economy of southwest Kansas. Fortunately, southwest Kansas is now recovering economically by the result wind energy development.

Farmers need vibrant communities to support their farming operation and family needs. Wind farms, like oil and gas production, brings jobs, landowner royalty payments, funds to local units of government, and other economic activity to rural communities.

As a farmer who utilizes grain markets for hedging purposes, I respectfully disagree with Dr. Jay Lehr Science Director of the Heartland Institute who testified before this committee on March 13. Dr. Lehr stated natural gas prices will remain low into the foreseeable future, therefore no need exists to hedge fuel prices by utilizing diversified energy sources, some of which have zero fuel costs as does wind energy. Farmers depend on stable energy prices, therefore I suggest this committee reject Dr. Lehr's strategy that assumes natural gas will remain at today's prices. To illustrate, the CME Group (former Chicago Board of Trade), quoted yesterday March 14, 2012 nearby April 2012 natural gas was trading at $2.29/million BTU. Five years out, April 2017, natural gas was trading at $4.56, or twice the price. Farming is energy intensive and farmers should not be exposed to the risk of future higher electricity prices that are a result of Dr. Lehr's natural gas price speculation strategy. As the Committee heard on March 12, the integration of wind energy represents approximately one percent of the consumer' s bill. This one percent is a bargain price for a hedge against future higher fuel costs.

I am involved with a group of neighbors seeking wind energy development on our land for the purposes of income diversification. My notes from Dr. Lehr's testimony on March 13, indicate that 1,000 MW of wind nameplate capacity would require 300 sq. miles or 3.33 MW/ sq. mile of land usage. Our developer indicates we can expect an average of 15 MW/ sq. mile assuming the use of Siemens 2.3 MW turbines manufactured in Hutchinson. This average takes in consideration farmsteads and other conditions. Other than the turbine sites and the access roads, agricultural use would continue uninhibited in a similar fashion to oil and gas well sites. Therefore, I respectfully disagree with Dr. Lehr's land use information that appears to be 4-5 times too large.

My understanding is the decision regarding the Holcomb expansion is now at the federal level with the courts and related government agencies. Speaking for my fellow landowners in the southwest Kansas, it seems incomprehensible to disadvantage them further economically by reducing the state's support for wind energy development in response to an undesired federal level based decision regarding the Holcomb expansion. The passage of this legislation would create a second economic blow to those rural economies. I do not understand how one economic loss to rural Kansas justifies another. For the reasons cited above, I oppose House Bill 2446 modifying the RPS.

Thank you. I would be happy to stand for questions.

Mark Richardson
Farmer/Landowner
Hutchinson, Kansas