

Testimony of Scott Jones On Behalf of Kansas City Power & Light Before the Senate Utilities Committee Neutral to SB 82 February 5, 2013

Chairman Apple and members of the committee, thank you for the opportunity to address these amendments to the Renewable Energy Standards (RES) Act. KCP&L first invested in wind energy near Spearville, KS in 2006. We now have built or entered into long-term contracts for over 500 MW of wind power generated in western Kansas. We currently meet the 10% renewable portfolio requirement and are within 50 MW of meeting the 15% requirement using a combination of wind and hydroelectric power. To comply with our state renewable requirements, we plan to add over 700 MW of additional renewable resources to serve our customers in Kansas and Missouri, pending approval by regulators. As you can see renewables play a key part in our energy portfolio.

This bill essentially extends the compliance dates for meeting the 15% and 20% renewable portfolio requirements. It also allows the commission an opportunity to study the impact to retail electric customers and delay, or in the case of the 20% milestone, waive the renewable requirement if the cost is too great. The bill also allows the Commission to adjust or relieve the requirement if transmission isn't available. Our wind facilities in western Kansas are currently experiencing curtailments due to transmission congestion. It does not make sense to add additional resources at this time considering the transmission situation.

Allowing additional time to comply with these renewable requirements gives utilities added flexibility in managing capital costs. Environmental regulations have necessitated the need for significant capital expenditures at our power plants. One project underway is an estimated \$1.2 billion environmental upgrade at the La Cygne Generating Station, which KCP&L and Westar jointly own. The overall impacts of environmental regulations have far exceeded RES related expenditures. This bill assists in the long-term management of costs to serve our customers safe, affordable, and reliable electricity.