



ENERGY PROGRESS

JOBS. PROSPERITY. SECURITY.

Economic Impacts



"Kansas understands the positive impact that wind energy can make. More than 1,200 new, high-paying manufacturing jobs have been announced in Kansas in the last two years directly related to renewable energy."

- Governor Sam Brownback in remarks to WindPower in June 2012

There are several dozen companies in Kansas that work with wind power in one way or another.

- *Manufacturing* – Siemens was the big fish, landing in Hutchinson in 2009. This 300,000 square foot facility builds nacelles. At peak production, the factory employs around 400 people.
- *Suppliers* – the presence of Siemens attracted other companies that supply parts to the nacelle manufacturer, such as Jupiter Group, Draka, and others.
- *Engineering* – multiple companies provide engineering services to the wind industry, including Black & Veatch, Burns & McDonnell, Olsson Associates, GBA, Terracon and others.
- *Developers* – two wind energy developers have offices in Kansas – TradeWind Energy and EDP Renewables. Many others are also actively engaged in the state, including NextEra Energy, Iberdrola, BP Wind, and Duke Energy.
- *Education* – several Kansas institutions for higher learning are working to educate and train students about wind energy. Cloud County Community College is one of seven accredited colleges nationwide to train wind energy technicians. K-State has set up the Wind Applications Center and is teaming with Colby Community College on a High Plains Small Wind Test Center. Pinnacle Career Center of Lawrence also offers a wind technician training program.
- *Operations & Maintenance* – Multiple companies employ technicians to maintain wind turbines, including project owners and the turbine manufacturers. Other companies such as Upwind Solutions with an office in Lenexa, also offers maintenance repair services.
- *Transmission* - In anticipation of a growing export market for Kansas' strong winds, several companies are working on new transmission line projects to move wind-generated electricity to markets to the east. ITC Great Plains has built one project and is working on others; Prairie Wind Transmission is a company co-owned by Westar Energy to build new transmission; and Clean Line Energy Partners is a Houston based company working to build a 700 mile line to the east.

Jobs

- Since the first utility-scale wind farm was built in Kansas in 2001, more than 13,000 jobs have been created by the wind industry in Kansas, both directly and indirectly.
- Approximately, 3,747 jobs are directly related to the construction and operation of 19 wind projects in KS.
 - Of these positions 3,484 were related to project construction, 263 jobs operations and maintenance jobs for the life of the wind farms.
- Based on data from the Department of Energy, additional 8,569 jobs were created in the state indirectly during construction and an 1,168 jobs indirectly during the operations of the wind farms.
- All of these jobs occurred in rural areas, where the lack of new economic opportunity has led to depopulation.

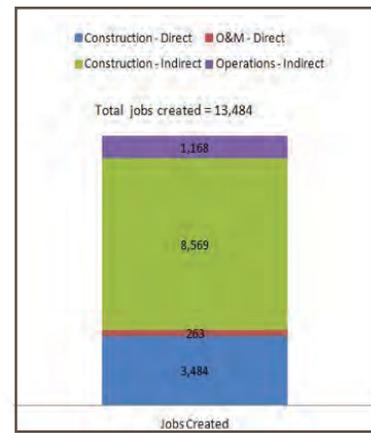


Figure 1: Kansas Wind Farms have created 13,484 jobs through all phases.

Renewable Energy Investment

- Kansas landowners receive over \$13 million dollars annually from wind turbine land rents.
- Wind developers contribute over \$10 million dollars annually to Kansas communities.
- Siemens - \$50 million dollar investment.
- Draka - \$3 million dollar investment.
- Jupiter Group - \$2.4 million dollar investment.
- Tindall and New Millenium announced - \$90 million dollar investment.
- Clean Line Energy Partners announced - \$ 2 billion dollar investment enabling an additional \$7 billion dollars of new wind energy development.

Renewable Portfolio Standard

In May of 2009, Governor Mark Parkinson signed into law Senate Bill 108, the *Economic Revitalization and Reinvestment Act* which included a provision enacting a Renewable Portfolio Standard (RPS) for the state of Kansas. The RPS requires every regulated public utility to own or purchase renewable generation based on their nameplate capacity. The standard set minimum threshold percentages of the utility's average three-year annual peak retail sales:

- 10 percent for 2011-2015
- 15 percent for 2016-2019
- 20 percent for 2020 and beyond

A key component of the RPS is a one percent cap on the rate impact of complying with this policy. The Kansas Corporation Commission is permitted to exempt any utility that can demonstrate that compliance with the RPS would cause retail rates to increase by one percent or more.

Thirty states have mandatory Renewable Portfolio Standards and seven states have voluntary renewable energy goals. The benefits of this policy go beyond earning revenue for local communities, generating low-cost domestic electricity and creating jobs for Kansas residents and companies.

In today's highly competitive effort to attract new businesses, many factors come in to play. The Kansas RPS is one visible way to demonstrate the value a state places on sustainability. The appeal of states that value renewable energy can be seen in both wind manufacturing companies as well as those who value sustain ability like Google and Mars. Ed McCallum, a Senior Principal of McCallum Sweeney Consulting was recently quoted in *Trade and Industry Development Magazine*;

"Having been involved in several site searches for renewable energy companies, wind in particular, the question always arises about the finalist state's position regarding the RPS. Many times it makes the difference between winning and losing the project".

The Kansas Renewable Portfolio Standard is a smart way to encourage renewable energy projects, spur job growth and keep Kansas businesses competitive.