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**Testimony of Mark Schreiber
Before the Senate Utilities Committee
On SB 82
February 5, 2013**

Chairman Apple and members of the committee, Westar Energy is neutral on SB 82, but I do have a few comments we would like to offer.

Westar Energy has been one of the state's leading builders and buyers of renewable energy since 2008. We compare favorably at a national level for the amount of wind power on a per customer basis, and we've acquired wind resources at very good prices, which has mitigated increases in our rates. Wind capacity represents 670 MW on our system, with landfill gas comprising 6 MW. Current estimates are that we would need 80 – 100 MW over the next four years to meet the 2016 compliance level under current law. Although we have substantial renewables on our system, the rate impact has been relatively small compared with the cost of installing environmental air emission controls on our fossil-fueled plants.

Westar Energy will spend more than \$1.2 billion to meet these environmental regulations on coal plants, plus approximately an additional \$600 million to retrofit the LaCygne coal station, which we co-own with KCPL. These large capital intensive projects to comply with federal EPA regulations put more pressure on our customers' rates than meeting the Kansas RES requirements. The proposed extension of the compliance dates to meet the next tranches of the state's renewable energy standard (RES) under SB 82 will allow some flexibility for Westar in recovering those costs.

The establishment of an RES was a public policy decision in 2009. Extending the compliance deadlines preserves the policy decision made in 2009, but allows utilities an opportunity to manage the cost of compliance. Our past performance demonstrates our willingness to seek the best price for a renewable project. Once, when bids came in high, we acquired development rights for a prime wind location at low cost. When bids were very favorable, we purchased more than the law required and used our development rights to hold prices down. SB 82 provides additional flexibility for this public policy issue.

Thank you for the opportunity to testify on SB 82.