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Kansas Senate Votes to Repeal Renewable Power Mandates

May 6, 2014

Alyssa Carducci

The Kansas Senate voted to repeal the state's renewable power mandates, creating a new high-water mark for efforts in the 50 states to repeal these mandates. The Kansas House voted against repeal, but key House members told Environment & Climate News there is strong support in the chamber for repealing the mandates if the proper bill comes along under the right political circumstances.

Rapidly Rising Prices

In 2009 Kansas enacted its renewable power mandates, requiring escalating renewable power production during the ensuing 11 years. Utilities in Kansas must generate 10 percent of their electricity by specially designated renewable sources by 2015, 15 percent by 2019, and 20 percent after 2020.

Kansas is one of the few states with renewable power mandates where the generation of designated renewable power is keeping up with the mandates. Wind power, the cheapest of the state's designated sources, supplies most of the state's renewable power. However, wind power remains much more expensive than conventional coal and natural gas power, resulting in escalating Kansas retail electricity prices even after benefiting from federal government subsidies. Since Kansas enacted its renewable power mandates, electricity prices in the Sunflower State have risen approximately eight times faster than the national average.

Legislative Momentum

Sen. Forrest Knox (R-Altoona) sponsored the renewable repeal legislation in the Kansas

Senate, even though he supported the mandates in 2009. Knox explained real-world experience has proven the mandates were a bad idea after all.

Rep. Dennis Hedke (R-Wichita) is leading repeal efforts in the Kansas House.

Speaking about the Senate's 25-15 vote to repeal the mandates, Hedke said, "I would say that the significant margin of passage puts the renewable electricity industry on notice that, coupled with the expiration of the production tax credit at the federal level, they had better prepare for a new day ahead in Kansas."

Federal Subsidies Drying Up

The federal production tax credit subsidized wind power for 2.3 cents per kilowatt-hour of electricity produced, amounting to nearly 25 percent of the retail cost of electricity. Even with these subsidies, wind power can sustain very little market share without laws forcing utilities to provide and consumers to purchase renewable power. If Congress does not approve legislation extending the subsidies, Kansas electricity prices will likely rise still further.

"The federal government has effectively paid for the wind energy development in Kansas, until now," Knox said. "From now on it is the ratepayers of Kansas who will have to foot the bill."

"Fifty dollars per year [in rising electricity costs] could easily turn into \$500 or more. This could devastate businesses, industry, and jobs in Kansas, which is exactly what is happening in Europe right now," Knox explained.

According to the U.S. Energy Information Administration, electricity prices in Kansas have risen approximately 20 percent since 2009, versus just over 2 percent nationally. Hedke said the Kansas renewable power mandates are part of the problem, along with federal EPA regulations.

"I would expect electricity prices to continue to escalate if the wind power industry continues to expand at the pace experienced in the past five years," Hedke said.

Alyssa Carducci (ad.carducci@gmail.com) writes from Tampa, Florida.

Author bio:

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