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Testimony of Ryan Hodum, Vice President, David Gardiner & Associates to the Kansas House Committee on Utilities and Telecommunications on House Bill 2594

Chairman Seiwert, Vice Chairman Alford, and distinguished members of the Committee, it is an honor to submit this testimony on behalf of David Gardiner & Associates, to highlight major trends among large institutional customers in Kansas to procure renewable energy.

According to reports from David Gardiner & Associates and others, large businesses and other institutional buyers of renewable energy, including the military and higher education, have dramatically increased their purchases of renewable energy in recent years. Consider these impressive trends and recent developments:

- 43 percent of Fortune 500 companies are addressing climate change and clean energy in their own operations and supply chain through public [commitments](#)¹
- 60 percent of Fortune 100 companies have done so already, and are [saving](#) \$1 billion annually – comparable to retiring about 15 coal-fired power plants – including companies with a major Kansas presence such as General Motors, Sprint, and Walmart²
- 51 companies have [joined](#) the Corporate Renewable Energy Buyers' Principles, in support of increased access to renewable energy at the state level.³ Signatories include manufacturers such as 3M and DuPont, retailers such as Staples and Target, and IT leaders such as Amazon and Facebook. Many of these companies have a major presence in Kansas, including General Motors, IKEA, Mars, Sprint, Target, Unilever, and Walmart
- Corporate procurement of renewable energy continues to [grow](#),⁴ doubling from 2013 to 2014 and again from 2014 to 2015. This new demand is helping to [drive](#) renewable electricity growth across the United States. Solar and wind represented 60 percent of all new installed capacity in 2015⁵
- By 2025, large customer demand for renewable energy could [translate](#) into a cumulative 60 GW of new off-site capacity – equivalent to slightly less than current installed wind capacity and a tripling of current installed solar capacity in the United States⁶

¹ WWF, Ceres, Calvert Investments, and David Gardiner & Associates, Jun. 2014, *Power Forward 2.0: How American Companies Are Setting Clean Energy Targets and Capturing Greater Business Value* (http://www.dgardiner.com/wp-content/uploads/2014/06/power_forward_2-0_FINAL.pdf).

² *Id.*

³ WWF and World Resources Institute, Dec. 2015, *Corporate Renewable Energy Buyers' Principles: Increasing Access To Renewable Energy* (http://buyersprinciples.org/wp-content/uploads/Corporate_RE_buyers_guide-v8.pdf).

⁴ Bloomberg New Energy Finance and The Business Council for Sustainable Energy, Feb. 2016, *2016 Sustainable Energy in America Factbook* (<http://www.bcse.org/sustainableenergyfactbook/>).

⁵ Federal Energy Regulatory Commission, Nov. 2015, *Office of Energy Projects Energy Infrastructure Update* (<http://www.ferc.gov/legal/staff-reports/2015/nov-infrastructure.pdf>).

⁶ Rocky Mountain Institute, Feb. 2015, *RMI Launches Business Renewables Center* (http://blog.rmi.org/blog_2015_02_02_rmi_launches_business_renewables_center)



Renewable energy is more affordable than it has ever been before. For Kansas companies, it offers a smart business decision – they can save money with renewable power. Powering facilities with renewable energy allows large customers to avoid power price fluctuations by locking in rates over a long period of time. Kansas has tremendous wind and solar resources – state policymakers should do everything they can to help large customers capture those economic benefits in Kansas.

Members of the Kansas Legislature are right to see renewable energy sources, such as wind and solar, as key to attracting Fortune 500 companies to the state. Access to renewable energy is a critical factor for many of America’s largest employers when they choose where to do business. According to recent [remarks](#) by Iowa Governor Terry Branstad during his 2016 Condition of the State, “Companies who have invested and located in Iowa have cited our low cost of energy and growing use of renewables as a major reason for locating here.”⁷ Renewable energy is mainstream for Fortune 500 companies, colleges and universities, and the military. Kansas policymakers and utility companies should take significant steps to meet this new customer demand.

Many states with regulated electricity markets are already adopting policies to make renewable energy available to all customers. In Utah, for example, eBay and other large IT companies [worked](#) with policymakers and the state’s largest electric utility to pass Senate Bill 12, to allow non-utility energy consumers to buy and transmit power directly from renewable energy developers.⁸ The bill makes it possible for customers to purchase large-scale, offsite renewable energy. Dean Nelson, at the time eBay’s Vice President, Global Foundation Services [told](#) Utah lawmakers, “Companies have been unwilling to site in Utah due to the lack of renewable energy options. This legislation could be the tipping point for these companies, attracting jobs and revenue to the state.”⁹

As a direct result of this policy in Utah, eBay doubled down on its investment in the state and announced expansion plans for its existing data center facility (eBay’s largest such facility). The company then installed a 655 kilowatt on-site solar array and contracted with a geothermal developer to construct a 5 megawatt off-site waste-heat recovery plant to provide electricity to its data center.

The establishment of free markets and consumer choice is important. The Kansas legislature should consider policies to enable this growing sector by allowing any electric customer to purchase electricity directly from a renewable energy supplier. Such a policy would make it easier for large customers to have greater choice in their options to procure cost-effective renewable energy.

⁷ Office of the Governor of Iowa Terry Branstad, Jan. 2016, *Gov. Branstad delivers the 2016 Condition of the State address to the Iowa General Assembly* (<https://governor.iowa.gov/2016/01/gov-branstad-delivers-the-2016-condition-of-the-state-address-to-the-iowa-general-assembly>).

⁸ eBay, Mar. 2012, *eBay’s Clean Energy Leadership in Utah* (<https://www.ebayinc.com/stories/news/ebays-clean-energy-leadership-in-utah/>)

⁹ Lubber, Mindy, Mar. 2012, *eBay and Republican Lawmaker Score Clean Energy Win In Utah* (<http://www.forbes.com/sites/mindylubber/2012/03/22/ebay-and-republican-lawmaker-score-clean-energy-win-in-utah/#50bc835fea98>).



We thank Representative Sloan for sponsoring House Bill 2594. We offer neutral testimony on the bill and are supportive of the concept moving forward. We would welcome the opportunity for a dialogue between members of the Committee and large renewable energy customers and are eager to participate in such an educational session in 2016.

About David Gardiner & Associates

David Gardiner & Associates (DGA) is an Arlington-based strategic advisory firm focused on climate change, clean energy, and sustainability. Our clients are non-profit organizations, corporations, and trade associations. We help our clients with strategic planning, research and analysis, and improved communications through our partnership building and advocacy. Our team integrates decades of practical experience across business sectors with diverse subject expertise and produces highly tailored and high quality products to meet the specific needs of each client. For more information, visit www.dgardiner.com and follow @dgardinera on Twitter.

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