

SENATE BILL 224

TESTIMONY

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KIOGA Chair Elect

Wichita KS

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SB 224

1. Berexco and KIOGA support the bill because it will reduce negative impacts on the KS oil and gas industry.
2. Examples of Direct Financial Impacts:
3. Examples of Indirect Financial Impacts:

ESG Direct Financial Impacts

1. Most KS operators would rarely obtain funding from very large financial institutions.
2. However oil and gas technology and equipment providers used in KS would.
3. These include large public companies providing seismic technology, chemical and well stimulation products, bits, compressors, pipes and other key equipment.

ESG Direct Financial Impacts

1. If these large technology and equipment providers cannot obtain financing, this will reduce availability of new technology and products in the KS oil and gas industry.
2. This then reduces oil and gas recovery in the long run, which reduces jobs and tax income for the State of KS.

ESG Indirect Financial Impacts

1. ESG effects on funding can impact companies that use fossil fuels to provide energy to customers, including generation of electricity.
2. The largest cost for most oil and gas operations is electricity.
3. ESG limitations would likely increase the cost of electricity to all consumers.

ESG Indirect Financial Impacts

1. Higher electricity costs will cause oil and gas companies to shut down oil and gas wells that cannot generate sufficient revenue to pay for the cost of electricity.
2. Oil wells shut down in this manner likely will never be restarted, which reduces jobs and tax income to the State of KS.
3. Shutting down wells deprives landowners of royalty income and causes a loss of oil and gas reserves.

FINAL COMMENTS

1. ESG causes real world negative impacts on Kansas oil and gas producers.
2. These negative impacts then will result in reductions in jobs and tax income for the State of Kansas.
3. Why would the State of Kansas want public money used in a manner that hurts the economy of Kansas?