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January 27, 2022

The Kansas State Senate
Committee on Local Government
300 SW 10th St.
Topeka, KS 66612

Re: Senate Bill 325

Dear Chair McGinn, Vice Chair Bowers, Ranking Member Francisco, and Members of the Committee,

Savion, LLC ('Savion' or 'Company'), a wholly-owned subsidiary of Shell New Energies US LLC, is a utility-scale solar and energy storage development company that is headquartered in Kansas City, Missouri, and employs 125 people, 42 of whom live in the state of Kansas. With a growing portfolio of more than 11 gigawatts (GW) of solar and energy storage projects, Savion's projects represent a future capital investment of over \$18 billion.

In Kansas, Savion has over 600 MWs of solar and storage projects in development that will amount to approximately \$725 million in capital investment and employ several hundred workers during construction should the projects have the opportunity to move forward.

SB 325 creates unnecessary restrictions on contracts between private landowners and businesses, which would result in no additional protection to landowners, county and state governments, the communities where the developments are located, and serves only to discourage economic growth.

Section 1 of SB 325 requires that no renewable facility may be constructed "on any parcel of land that is not zoned for industrial use by the county." While this may sound reasonable, the reality is that many of the rural counties where these developments are occurring do not currently utilize – and importantly do not *intend* to utilize – zoning in this way. Part of the appeal of Kansas to many industries looking to expand is the relative ease of permitting and project approval and the lack of zoning for industrial projects is an intentional tool that counties use to attract economic growth. Forcing projects to obtain zoning prior to construction is forcing county governments to add additional layers of unnecessary government regulation and jeopardize their current advantage for attracting new industries.

In addition to other challenges presented in Section 1, SB 325 amends Section 2 of K.S.A. 58-2221 to require renewable energy developers (and not developers of any other kind) to have obtained building and/or conditional use permits (CUP) *before* leases can be recorded by the local office of register of deeds. The punishment of a company failing to do so is the company in question being unable to record an agreement on that property in the future.



Aside from the bill's overly aggressive punishment, the requirement itself to have obtained building permits and/or CUPs is an unworkable standard for development. Permitting with the local authorities is not the first step in developing renewable resources. Because there are so many gating decisions that occur months or years before a company would know whether or not a project is feasible, permitting is completed in the last two years of a five to ten-year development. The timing requirement of SB 325 alone is disconnected from the reality of project development and would make Kansas unworkable for further economic investment from companies like Savion.

Additionally, the requirement to procure building permits and/or CUPs before registering leases would *require* private companies to trample on the rights of private landowners, certainly something of which the Kansas Legislature does not approve. In order to apply for a permit with local authorities, the project developer must have certainty that they have legal development rights to the land. Without the ability to sign and register leases or purchase options, renewable energy companies would be required to apply for permits for land to which they have no legal connection. This non-sensical scenario would therefore require that renewable development companies override the rights of private landowners.

Whether intentional or not, SB 325 would establish an unachievable legal standard for renewable development between two consenting parties and ensure that all projects – and the significant number of jobs and economic development associated with them – would halt in the state.

Savion appreciates your time and asks that the Committee vote "No" on SB 325. Further, Savion welcomes the opportunity to answer any questions the committee may have at this time.

Sincerely,



Mark Walter

Director of Legislative & Regulatory Affairs

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