

January 27, 2022

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

Re: Senate Bill 324

Dear Chair Thompson, Vice Chair Peterson, 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 324 represents the Kansas state government's overreach into private contracts between landowners and private businesses. Landowners are entering into contracts willingly and without coercion of any kind by companies like Savion. Once the contracts are executed, which usually occurs after landowners have consulted with their own attorneys to ensure their rights and interests are fully represented, the agreement results in payments from the company to the landowner during the development term, which currently exceeds five years.¹

Far from being taken advantage of, willing landowners are often getting paid for years due to lease/purchase options while continuing to make money from their land from farming, grazing, or whatever other venture they choose.

Aside from SB 324's misunderstanding of the benefits of renewable leasing to private landowners, the bill's timelines are disconnected from the reality of development and are thus unworkable. Projects that are filing for interconnection with the Southwest Power Pool (SPP), the electricity market in which Kansas is situated, are required to show proof of land control in order to enter the queue. This means leases and/or sale agreements need to be completed *before* companies can begin the expensive and lengthy process of interconnecting

¹ While Savion's leases begin regular payments to landowners upon signing, we cannot speak on the lease or purchase option terms for the industry as a whole or any other companies.



safely with the grid. Once filing has been completed, companies can anticipate *at least* five years (often longer) to complete the study process, meaning the timelines sketched out in Section (d) of SB 324 are unrealistic and would jeopardize the entire renewable energy development community and the significant jobs and economic development opportunities associated with projects.

SB 324 unnecessarily adds regulation to private negotiations and contracts between landowners and private businesses, creating an environment that would make the state of Kansas unworkable for further economic opportunities from the renewable energy industry. We believe it is bad for businesses like Savion, bad for private property owners, and bad for the state.

Savion appreciates your time and asks that the Committee vote "No" on SB 324. Further, Savion welcomes the opportunity to answer any questions the committee may have at this time.

Sincerely,



Mark Walter

Director of Legislative & Regulatory Affairs

Mwalter@savionenergy.com – (573) 590-2255

