

Testimony Provided To Senate Federal & State Affairs Committee Kimberly Gencur Svaty, Public Policy Director February 7, 2024

In Opposition to Senate Bill 446

Mr. Chair, Vice-Chairman, and Ranking Member and members of the committee,

Thank you for allowing the Kansas Power Alliance to appear before you today in opposition to Senate Bill 446. I appreciate the opportunity to come before you today on behalf of the Kansas Advanced Power Alliance and the forty-plus members of our organization which represent a diverse cross section of the world's leading energy companies, energy investors, energy consumers in the advanced power industry. Most of these organizations have business interests in Kansas via operating energy projects or those under development, purchase power agreements, development headquarters or manufacturing facilities. Our member assets in Kansas span the state from the most densely populated to the least, from the fastest growing to those with the most rapid population decline. Since the first wind farm came online in 2001, the wind energy industry has invested more than \$16 billion private dollars in Kansas with several billion dollars of new energy projects in the pipeline.

The Kansas Power Alliance understands that the Kansas Legislature is interested in considering legislation on foreign ownership of land in the United States. However, the APA is concerned about the language in SB 446 that would have leases fall under the purview of the newly created State Land Council's jurisdiction. <u>A lease is not an ownership interest</u>. Including leases for mineral rights, telecommunications towers, clean energy, temporary laydown yards, and the myriad other reasons a private Kansas landowner may enter into a private lease with another entity would unnecessarily overwhelm any new "State Land Council" with a volume of transactions that, more than anything, would likely prevent the State Land Council from focusing in on any transactions they should be noticing.

While previous iterations of legislation pertaining to foreign ownership of land in Kansas were focused the nations currently on the United States State Department "Foreign Adversary List", SB 446 includes all foreign countries. The Kansas Power Alliance does include some companies that are foreign held and are choosing to invest money in Kansas, but those nations are almost entirely either European-based or Canadian.

Further, we qualify that statement – "almost entirely" – because some of our member countries are publicly traded, and while the majority ownership of our member companies is either from the United States, Canada, or European nations, SB 446 appears to include ownership at any level. This creates some confusion – if a publicly traded foreign company has an ownership interest that the State Land Council does not approve, does the ownership interest from that foreign nation have to divest from the company making the investment in Kansas, or does the company making the investment have to divest from Kansas even if the ownership interest of the entity in question is less than ten percent of the total ownership of the company and does not have a controlling interest?

Finally, over and above the comments on specific portions of SB 446, the Kansas Power Alliance would like to let the committee know that our members do in fact work globally, across a broad range of government structures. Those members from outside of the United States have always seen the United States as a safe and strong investment climate with a vibrant free market economy where we can put capital to work, making money for those companies and injection billions into the local economy at the same time. Clean energy investment drove global investments in 2023 with more than \$13 trillion infused into the energy economy. *This is how a healthy economy is supposed to work.* We don't believe the Kansas Legislature wants to stop that healthy economy, but SB 446 definitely moves in the wrong direction.

Thank you and we would stand for questions at the appropriate time.