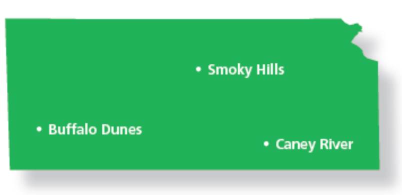

Submitted Testimony Provided to the
Senate Standing Committee on Assessment and Taxation

March 16, 2015

Jeff Riles, Manager of Regulatory Affairs
on behalf of Enel Green Power North America, Inc.

In Opposition to Senate Bill 257

Chairman Donovan, Vice-Chairman Tyson, Ranking Member Holland and Members of the Committee:

Enel Green Power North America, Inc. (“Enel Green Power”) is a global leader in the ownership and operation of renewable energy projects. In fact, just last October, Enel Green Power dedicated our state of the art, 250 MW Buffalo Dunes project located in Grant, Haskell, and Finney Counties.

Out of our 185 wind projects located around the world, Buffalo Dunes is the largest single-phase wind project in our global portfolio. Enel Green Power made a strategic decision to have its largest wind investment in Kansas. This is because Kansas has made smart, consistent commitments to policy. And of course, it has a world class wind resource.

This project, combined with the iconic 250 MW Smoky Hills project, located right off of I-70, in Lincoln and Ellsworth Counties, and our 200 MW Caney River project located in Elk County, make up the largest operating wind capacity in Kansas. To date, this represents nearly $1 billion worth of investments injected into the Kansas economy.

The thoughtful leadership of Kansas policy makers has helped the State become a great place to do business. In fact, Kansas energy and economic policies have attracted billions of global investment dollars that have provided tremendous economic benefits to Kansans. As a result, Kansas has emerged as a national and international leader in energy.

SB 257 seeks to fundamentally undo this progress and sends a crushing chill across the energy and investment communities that Kansas tax policy is unstable. SB 257 does not just impact operators of wind projects like Enel Green Power, but all of our large financial partners and investors as well.

Enel Green Power and companies like us, have invested billions of dollars in Kansas with the expectation that the basic legal foundations on which these investments were made would not be wiped out. SB 257 therefore undermines the financial viability of these projects and the expectations of the investors, landowners, lenders, and communities where we live and operate. SB 257 is the legislative equivalent of bait and switch. As a result, SB 257 seeks to disrupt billions of dollars worth of economic investments that have been placed into Kansas

In addition, SB 257 calls into question every single P.I.L.O.T agreement we have with our local counties and communities. Late last year, at the Kansas Association of Counties, I got to visit County Commissioners and come to understand first-hand how important these annual P.I.L.O.T payments are to their communities. Pursuant to these agreements, Enel Green Power pays millions of dollars annually, directly to our local counties. These contracts were based on an understanding that the kind of tax policy proposed by SB 257 did not exist and would not exist. If passed, SB 257 changes that mutual understanding and will therefore negatively impact the local communities. Every single dollar this bill takes away from these investments is a dollar taken away from our local communities. Plus, every single dollar that this bill seeks to take away from these investments is also a dollar we are not sending Kansas landowners. These are dollars not going to our neighbors and your constituents.

To be clear: SB 257 makes doing business in this Kansas completely unstable, incredibly unattractive, and very costly. Enel Green Power is hopeful that this committee will reject SB 257 and other proposals that halt future renewable energy developments in the State and that undermine existing developments.