Jim McLean: Hello. Today's interview is being conducted by the Kansas Oral History Project, a 501(c)(3) charitable organization dedicated to talking to, interviewing notable Kansans on public policy issues. More than 130 interviews of this kind have been done to date, and none of them could have happened without all the volunteers and all the donors who support this endeavor, one of whom is standing behind the camera here, Dave Heinemann, former legislator. I think he's done all of these interviews to date. And we're adding to this rich history today by interviewing Kimberly Svaty. And you are the founder and what, president, CEO of Gencur Svaty Public Affairs, correct?

Kimberly Svaty: Yes.

JM: That's a lobbying firm.

KS: Part of what I do is lobbying, yes, but it's a fully diversified public affairs firm. So part of it is legislative work; part of it is regulatory work. A lot of it is communications work, and then a lot of it is working with local governments and helping local governments understand investments like we kind of talk about "what to expect when you're expecting," so what to expect when a business or a company is seeking to develop in the state of Kansas and looking to come to your community. So we do a lot in that regard.

And we do a lot of events as well. So any time we have a major groundbreaking or a dedication of a large, sizable project, then typically my firm is involved. So it's very broad.

JM: And you founded this firm in 2007.

KS: Correct, yes.

JM: Would it be fair to say that a large part of your portfolio, a lot of what you do involves the energy sector?

KS: Yes. So my background is in the energy sector, and a big reason why I formed my own company in 2007 was I had been working for a traditional utility at the time, and that utility was in the process of being sold. So I founded another utility, a transmission-only utility. In the process of doing that, that was about the same time that there were additional clean energy companies looking to develop in the state of Kansas and other types of energy companies as well, not just in the clean energy space, but certainly we saw a significant uptick in the production of oil and gas as well. Particularly on the clean energy side, there wasn't an entity out there doing a lot of the communication and education work and outreach work that needs to be done when a new industry or a new company is coming into being, whether it's locally or kind of in the state. So that is the reason why I formed my company was to help provide the education not only to state legislators and to members of the executive branch but also to the communities themselves and to landowners, landowners that would be hosting the projects and to the communities that would be hosts as well.

JM: From my perspective as a reporter who covered this building for decade, you're a real trailblazer. Was that a fortuitous time to be getting into the clean energy sector, around 2007 in this state?

KS: It truly was unbelievable timing actually. But we had—in 2007, we had only the third wind farm that was breaking ground at that point. So the very first wind farm had been built in 2001, and it was built by the utility that I worked for.

JM: Which was?

KS: It was Aquila, and that was largely how I cut my teeth, if you will, with clean energy was that first wind farm built in the state.

JM: Which was built where?

KS: It's the Montezuma wind farm.

JM: Sure.

KS: So, Gray County. Then was also really building transmission because at the time, the state of Kansas was on the verge of being declared by the federal government as a conditionally congested corridor, which doesn't mean a whole lot for Kansans other than—

JM: It sounds bad though.

KS: It does sound bad. It really was problematic because we had—our state was bifurcated in every direction. So the eastern portion of the state was paying less for power than the western portion of the state. We weren't able to bring in power from the north or from the south.

JM: Because of where the transmission lines were located?

KS: Because of the transmission congestion. We had just not built transmission in decades. So you had a series of events leading really culminating at the same time. You had a push by the state of Kansas to begin really pushing utilities to invest more in transmission, sorely needed transmission, and it had nothing to do with clean energy. It had everything to do with the price disparity between the state. So that was happening. The state of Kansas joined what's called Southwest Power Pool, which is the regional transmission organization, and the RTO was saying, "In order for Kansas to really take full advantage of being in this regional transmission organization, we need to build more transmission."

&And also at that time, there was this large-scale recognition that Kansas has an awesome clean-energy resource. So developers from around the world and certainly from the United States were testing wind speeds and looking at solar radiance and finding that Kansas really is in fact the Saudi Arabia of wind.

JM: For both wind and solar.

 

KS: Definitely for wind. Our solar capabilities are very strong, but it still is a little hard to compete with some of the solar pricing in the desert.

JM: Okay. So the first wind farm in Kansas, 2001. When you started your company in 2007, there were a couple more under development or already in place?

KS: There was one more that had been constructed in Butler County. And then there was another project that interestingly enough both Josh, my husband, and I worked on although separately. He was a state legislator at the time, and he was working to help create understanding locally this potential project. Meanwhile here in the State House, there were starting to be additional conversation about where and how wind farms would be sited in the state. So there was conversation about the type of land that you could put wind farms on, not just where in a particular type of community.

So I was working at the state level to help ensure that there was a relatively smooth process to develop in the state, but also some clear guidelines. For example, we passed legislation in 2005 to ensure that wind farms do not have the right of eminent domain. This was kind of a secondary clarification to existing statute, but we wanted to make it explicitly clear that wind farms did not have the right of eminent domain. We also worked with then-Governor Kathleen Sebelius to both craft and support what was then known as the Flint Hills Box, which six years later became known as the Tall Grass Heartland when we tripled the number of counties that were in that particular restricted area.

JM: There was generally speaking some opposition to placing wind farms in the Flint Hills, right?

KS: On native intact prairie. So it was at that time in the late 2006-2007 time frame when we had done the Eminent Domain bill. We had done Flint Hills Box, and we were just trying to make sure that there were some clear rules of the road for how to develop in the state of Kansas.

JM: And you went to Josh. We should pause here and make clear—Josh is your husband, a former state legislator and a former Secretary of Agriculture here, and he's also a partner in the firm.

KS: Yes, he is, yes.

JM: It sounds like you from the very beginning, I know you're probably fairly modest about this, but from my vantage point, covering some of these issues through the years, if not for your presence here in the State House, I mean, you helped get established the rules of the road, as you said, but also I can remember back in 2014 even, after a lot of those rules have been established, there was a great deal of opposition here in the legislature to clean energy. The Obama administration was pushing it. The head of the House Energy Committee, Dennis Hedkfrom Wichita was a climate change denier.

 

I remember seeing you in front of that committee for several days. He had a whole series of hearings, did he not, on climate change, and whether human being had had anything to do with it, etc., etc., right?

KS: Correct.

JM: I can remember you being a spokesperson for almost the entire industry at the time.

KS: Yes, for the better part of twenty years, I have really—truly a great joy is to get to work on something that you know is making a difference in the lives of not only your children, but in Kansans, and I know there is opposition to clean energy. I know that, whether it's philosophical or oftentimes it's view, but when you look at the drought that we've gone through for many years, and you know that there are communities that are solely dependent on the ag economy, and when there is prolonged drought, not great prices, that does not bode well for our state's economy.

But when you have a multitude of any type of project that is spread throughout thousands of landowners across scores of communities, that helps lifts all boats. That helps keep landowners afloat. It helps lower the number of our on-farm bankruptcies. IT helps all of your local restaurants. It helps the equipment manufacturers.

So even during COVID, for example, when the vast majority of businesses were shut down, we were able to continue to build projects because we were working outside and we kept a multitude of different small businesses still working. There was an auto parts dealer that was an independent supplier of lubricants that had its best several years ever because it was supplying lubricants to all of the turbines that were being erected. You had catering that needed to be done because we were feeding people differently at that time. So restaurants across the state were still open and feeding individuals where they would have had to shutter because we needed employees as they were working outside.

You look at the Spearville High School and what the Spearville community has been able to do, and that story has been replicated around the state.

JM: Tell me about that. Spearville, a small community down near Dodge City, where if you traveled down there, particularly at night, the number of wind turbines down there is truly astounding. It dominates the landscape down there. What you're essentially saying here is that the wind industry and its growth over those years has really augmented what was naturally a mainstay of the Kansas economy, i.e. the ag economy, and the small communities. And the landowners who weren't making any money from crops in those lean years were making some money because they leased their land for the placement of wind turbines.

KS: Absolutely.

JM: Tell me about Spearville. Why is that significant?

 

KS: Spearville is a really interesting community because it was really where the very first wind farm was constructed or near where the first wind farm was constructed. But it's actually a perfect evolution of the industry because the town itself of Spearville has been very open to again all forms of energy development, but in this case, we're talking about clean energy and wind energy.

So you see some of the older technology, which would be shorter towers and shorter blades, and then you go around and you see taller towers and about the same type of blades, and then taller towers and longer blades and taller towers and much longer blades. So you can see the evolution of the industry as the technology has really become perfected. So we know that the longer the blade, the better the sweep, the more productive each individual turbine can be, which reduces the number of turbines that you actually need in order to have a really strong productive project.

JM: What about Spearville High School? You mentioned that.

KS: Oh, the high school. That has just been a wonderful partnership through a lot of the community donation agreements. So every project, again rules of the road—it was never written anywhere that wind farms provide donation agreement. We're the only form of generation that does so, really the only industry that provides a donation agreement when we go into a community, and they are sizable. We pay them every year for the life of the project, and those donation agreements, the county commissions largely decide how they want to spend that money. So whether it's on significant school district improvements or improvements to schools within the district, that can happen, and certainly Spearville High School is an example of that. They were able to build a pretty significant addition to the building without having to bond anything, just due to the pilot.

If you look at other counties that have created off the principle of their donation agreement, they only spend the interest.

JM: They create an endowment of a sort.

KS: An endowment. So you see that all around. There have been several communities that have used funding to like remediate the elementary school for asbestos or real community needs that they wouldn't otherwise have the funding to do that because of these projects, they do have funding to do.

JM: Are those donations in lieu of property taxes?

KS: They are in lieu of property taxes for a period of time, yes. Wind farms do go on the property tax rolls in Year 11, and they have continued to provide those donation agreements.

JM: Okay. Since the early days, those pioneering days when you were involved in really the establishment of the wind industry in Kansas, 2001 the first project in Montezuma, where are we now, generally speaking? Are we among the nation's leaders in wind energy? If so, give us a snapshot of where we are.

 

KS: Sure. So just from a historical standpoint, Kansas was—the Hugoton natural gas field was obviously one of the largest natural gas fields in the world for a number of decades, and that was something we really prided ourselves on. And I think this is for the next century, people can be proud of what the clean energy economy has meant to our state.

We go back and forth every year between Kansas and Iowa as who is the top producer of like the percentage of our portfolio coming in or generation portfolio coming from wind. Iowa has us for a time right now. They went on a bit of a building spree. But Kansas currently is anywhere between 3rd, 4th, and 5th. We bounce back and forth on the percentage of generation coming from clean energy, and that's just from wind. It doesn't include solar or hydropower or certainly other types of clean energy economies.

JM: So from one to how many wind farms now in the state, roughly?

KS: So we now have forty-five operating wind farms in the state of Kansas, which I can assure you when we began our work two decades ago, there was the thought that maybe in twenty years, we might have three or five or seven operating wind farms.

JM: Really? You exceeded expectations to that degree.

KS: We exceeded expectations so significantly, which has been nothing but good in many instances for Kansas because of the amount of private investment that has come in, not a single penny from State General Fund dollars. A lot of times you've got companies that come in and they're seeking incentives or a state match of some kind, and that's never happened, but it's also brought a lot of new manufacturing to our state where the manufacturing didn't exist previously.

JM: And why is that? Are there manufacturers who want to be associated with clean energy, and they look for places where there's an abundance of it? Is that why?

KS: In part, yes. Definitely. But Kansas, as we well know, is so centrally located.

JM: Correct.

KS: So it's not just in the state of Kansas that we've seen a tremendous boon in the clean energy economy, but so has Oklahoma and Nebraska and Iowa and Missouri and Colorado and all around. So, for example, Siemens has their nacelles facility here , and it makes transports when you're centrally located, it makes transports of those nacelles much easier as opposed to making them in Europe, shipping them overseas.

JM: And Siemens manufactures what?

KS: The nacelles. The thing that looks like the school bus on top of the turbine, where the actual generating equipment is.

JM: So forty-five wind farms in Kansas now. An investment over time of how many billions of dollars?

 

KS: Over twenty billion, and that's just in the projects themselves. That doesn't include the manufacturing.

JM: To what extent does that energy then, given the improvement of the transmission grid and so forth, how much of that energy stays here?

KS: That's an excellent question, and this has been the question that's been debated and I'm sure will continue to be debated ad nauseum. So when you understand the electric grid, you understand that electrons are all produced locally. Well, they're produced locally. And then they're generated locally, and then they're used essentially where they are generated.

So we do have a much more robust transmission system, and, yes, power is shipped across the grid, and but there are also paper transactions, too, that facilitate the development of the project. So we can't always say, "Yes, this exact electron is going. It's going to be generated here, and it's going to move there." Electrons to whatever quantity will move there per whatever contract.

So, generally speaking, in Kansas we have more than 60 percent of what is generated is used locally which I think is different than from an oil and gas standpoint, from another extractive economy. I don't know that we could trace how much of a percentage of a barrel of oil was used domestically or within state borders.

JM: It's really never a point of conversation. I don't know why it is that it is in the wind industry clearly. But you're right. It has been a point of conversation for a long time. People want to know what we're producing here or generating here somehow—

KS: Stays here.

JM: Lighting up Kansas communities, powering industry, that kind of thing.

KS: And I understand. I think part of it is not wanting to pay for something that is used in Missouri or elsewhere. I understand that to a degree. But the way that the electric utility grid is structured, it largely protects us from that.

JM: Right.

KS: But then the other thing that's happened while we have seen this sea change in our generation portfolio in the state of Kansas to include a significant amount of renewables is we are part of the Southwest power pool, and that has changed how we generate and procure power. I don't think we can even underscore how big of a shift that has been because for generations, for decades, it was always, "Here's my local utility."

JM: Right.

KS: "And I have my distribution system for my local utility, and I've got some transmission lines that will connect my power source to the distribution system and then I'm going to power

 

my community." And that was largely how utilities looked at energy until honestly twenty to twenty-five years ago. That began to change, particularly with FERC Order 2000, and then the advancement of the regional transmission organizations.

So now we are part of a multi-state—a fourteen-state grid, and we are moving electrons that are lower cost and reliable and affordable all over the region, and we're part of a market, a true market whereas there was not a market in that previous paradigm. That's not bad, but this is a much more efficient use of our resources.

JM: And energy gets to where it's needed.

KS: It gets to where it's needed.

JM: On a minute-by-minute basis essentially.

KS: And again going back to the market itself that has been created, we know that the lowest-cost power is sold first. And almost in every instance, the lowest-cost power is Kansas wind. So that's a really positive benefit for Kansas consumers because when we're generating, people are buying our commodity, and they're buying it first, which is great for us.

So that has been a huge change as well, very different from how the electric grid has ever operated, and it's operating really—I remember when I first started in the industry, my thought was that the transmission grid can handle no more than 20 percent of clean energy on the wires at any given time. And there are days when we're over 90 percent powered by wind in the Southwest Power Pool region. And that change has been spurred by the market, but then also by significant research and development on the ability of the transmission lines to move power in forecasting.

JM: As I remember, the debate over the decades about energy production generation, one of the debates, one of the issues about wind and with electricity generally speaking as you use it as you generate it. I mean, storage capacity, you don't store it and use it later. And people were worried that wind was not a reliable source. It was only generated when "the wind would blow."

KS: Right.

JM: So you have people who are still advocating for a lot of coal- and gas-fired power plants because you can generate that power at the flip of a switch, particularly the gas from the more modern gas plants. And so there was a big move still to build a big coal-fired plant out in Holcomb.

KS: Yes.

JM: And it never happened because of the markets you're talking about. But I'm going to circle back to you saying 90 percent, there are times when 90 percent of the energy in the Southwest Power Pool is generated by wind?

 

KS: Yes, which is phenomenal, a phenomenal change.

JM: Which means that those gas plants and so forth, they can fire up quickly. They can provide peak power when there isn't so much wind power in the grid, right?

KS: Yes.

JM: But the wind power really is for the most part become in terms of the power pool, and it's used very reliable.

KS: Very reliable.

JM: And a stable source of energy.

KS: So what's interesting is now twenty years on, we've obviously had a lot of different test periods in order to hone the technology. So forecasting has become fabulous in our ability to say—

JM: Who's going to need it where and when.

KS: Who's going to need it where, but then also what is the wind going to do at all of these different points? So we have meteorologists and other very strong technical scientists that are constantly forecasting and providing that information into SPPs. So they know when the wind may die down and when they may need to bring online other forms of generation or when we're going to have an abundance, and we can scale other forms of generation back.

JM: The process is more highly coordinated now than it's ever been in part because of the development of the wind industry.

KS: Absolutely. It's really pushed the engineering of the transmission grid to new places that are truly benefiting rate payers but also making our grid far more reliable and affordable.

JM: This sounds like a big win for the state, a big success story. And yet even in the last few legislative sessions, there still seems to be opposition to clean energy, very rudimentary opposition still arguing over the reality of climate change and the role of clean energy. Is that fair to say that that debate is still with us?

KS: I do think that the debate is still there, and that's fine. I certainly understand the debate. I think the debate is somewhat on climate change, but I think it's also entering a new era right now of we're becoming a bit more protectionist, and even as a nation, more nationalist. So we're much more focused on "How is this benefiting me specifically right now?" and "Is this changing anything about my life?"

So a lot of the conversations that we have now are, "Well, is this going to change my view?"

JM: The landscape. There you go.

 

KS: Right.

JM: There's a lot of debate over wind farms, and how they dominate the landscape, particularly the flashing lights. There's questions about the health of birds and so forth. In other words, environmental issues come to the fore. There was legislation here a few years ago that really piled a lot more regulation on the wind industry because of this burgeoning opposition. I think you were quoted in articles saying if these regulations were put on the books that it would essentially bring a halt to wind development in this state.

KS: Yes.

JM: And that was just what?

KS: Two, three years ago.

JM: 2023, 2022?

KS: Yes, there was a movement 2021, '22, and '23, various pieces of legislation and even one of those pieces was kind of a bundle of a series of bills, and it would have essentially halted clean energy development in the state.

JM: It just made it too costly?

KS: Too costly, but also not even really the cost. It would have put forth so many different processes that didn't mesh that a project couldn't have been built. And I think that's one of the misnomers about clean energy. It's something we have to deal with. We are more hyper-partisan in a post-fact world. So it's making sure that policymakers at all levels understand that a wind farm does not have the right of eminent domain.

JM: You went back to that and said it was one of the first things you did because people, landowners—I can remember hearing discussions in committee hearings where people would have a misunderstanding about that.

KS: Correct.

JM: Transmission lines, the companies that build transmission lines do have that right. People who build highways have that right, but wind farms do not. The wind farm developers do not.

KS: Correct. So there is not a right of eminent domain, and you have to have willing land owners that want to house a project or a portion of a project on their land. That's incredibly important. You have to have access to the transmission system, and going through that process can take five to seven years at minimum in order to go through the SPP generation queue where they—

JM: When you're siting a wind farm.

 

KS: Yes, where they're constantly studying and evaluating the transmission grid itself to find out how much, how many changes will occur to the transmission system when you inject that power at that point. So that process takes many years.

And then there is a litany of permits and approvals that you have to receive at the local, state, and federal level. So one of the largest misnomers is that a wind farm can just come in overnight, or that a solar facility can just come in overnight. That could not be further from the truth. It takes years to build a project.

JM: And county commissions have some say-so in where these get built, right?

KS: County commission—so, in Kansas, we're a bit unique because we have zoned and unzoned counties. But even in our unzoned counties, there is a permit process, if you will. So the counties in a zoned county obviously, there's zoning. So they can say—put all sorts of stipulations on a conditional permit process. They can deny an application. In an unzoned county, a developer, even though the county isn't zoned, still has to have approval to move trucks over roads. They still need to have a series of other approvals, both from the county and then obviously from the state and the federal level. So a project cannot move forward at any point if there is a denial by any federal entity or state entity or the local entity as well.

JM: So notwithstanding the fact that additional regulations weren't put on wind developers, there are plenty in place already. There is some governance to all of this. And that effort largely was turned back, the effort to again pile regulations and rein the development to a halt.

Nevertheless, certain conversations continued. Recently, there was a bill passed to mitigate the lights, the flashing lights, which some people object to. When you have one of these huge wind farms, they really dominate the evening, the night landscape. So that became an issue, and legislation was actually fast to address that.

KS: Yes, this is another example of ways that I believe that the industry, we've really tried to be—

JM: Is evolving.

KS: Evolving and also a strong community partner. For a long time, the technology did not exist in order to address red blinking lights.

JM: Because they're there to deter aircraft.

KS: They are there to ensure that any aircraft that's flying in the space would know this is the site of a wind farm. And all of that is directed by the FAA. So any tower that is taller than fifty feet regardless of what type of tower, building, structure that is taller than fifty feet, fifty feet and taller, has to be marked per the FAA. So the FAA determines the color of the marking, and they determine the frequency of the flash. And a project is not built until you have FAA approval, which also requires approval from DOD, the Department of Defense. So the military knows

 

exactly where every single turbine is proposed to be placed. And they sign off and then the FAA signs off.

That's another example. The FAA knows where every single turbine in the United States of America is proposed to be placed, and then they obviously then know where every single turbine is placed that's operating. But they know that because they approve the lighting structures, again, for aviation safety.

JM: Right.

KS: And only in the last several years has there been technology reliable enough that industry felt and the FAA felt that you could actually dim the lights or have the lights off, the red blinking lights.

JM: Right.

KS: And then they would have strong enough sensors on them—

JM: That when a plane approaches—

KS: Exactly. The light would come on several miles in advance to ensure that any low-flying plane would be able to deviate or divert. So as the technology has a) become available, b) been approved by the FAA has everyone felt comfortable with its adoption. So we did pass legislation in the 2023 legislative session that says for all new wind farms constructed in the state of Kansas effective last year, that you need to apply with the FAA and install that light mitigation technology. And then it also does look back, and it requires existing operating projects to apply to the FAA within a certain time period for installation of that light mitigation technology.

JM: So has that taken some steam out of the opposition? Has that resolved at least one of the issues that's been in play for the last couple of years?

KS: I think that's it's helped. Fortunately, we also had passage of two really large, substantial pieces of federal legislation that were designed to attract a lot of domestic manufacturing and reshoring of American jobs particularly in key manufacturing industries, the science-based industries.

JM: Post-COVID legislation.

KS: Post-COVID legislation, the CHIPS Act and things of that sort, but they also really were designed to help spur significant investments in the clean energy economy. And that has changed the conversation as well.

JM: How so?

KS: So Kansas and many other states, we do have a Democratic governor at this time, but we're still a red state. Passage of those two pieces of legislation, particularly that encouraged clean-

 

energy investments, has been seen by opposition group as kind of the federalization of our energy economy, the federalization of land for said energy purpose even though that's in reality not happening or not actually the situation. So that's changed the conversation. That's why I kind of go back to this hyper-partisan, post-fact world.

JM: There are people who are opposed to further clean energy simply because it's a policy emphasis of a Democratic administration in Washington? Is that what you're facing in terms of when you ply the halls here in the Statehouse They don't want to sign on because it's—

KS: It's actually less here in this building. There is some of that in this building because you find everything in this building.

JM: Right.

KS: I don't want to imply that there's this large group of individuals that believe that here in this building. But in the opposition groups that exist—

JM: In communities around the state?

KS: In communities, that is largely what is being discussed is that this is a federal initiative pushed by a president that many here in the state of Kansas didn't vote for, and they want to push back on that.

JM: Big government. I meant to ask you this earlier because you talked about the wind farms have been established here in Kansas. How many of the companies that site these wind farms and actually own and operate them, are they European companies generally speaking? Are they American companies? Are they a mix? What is it?

KS: Also a great question. Actually in Kansas, the largest entities, I guess, the entities that have the most number of operating projects in the state are American based and American owned. So, one's a publicly-traded utility. One is a private utility, both based in the United States. There are other energy companies that are in business in the state of Kansas in the clean energy space that are European. So some are Danish. Some are French. Some are Italian. And many of them have American headquarters.

JM: So the Kansas-based utilities, Westar, for instance, it has wind farms in Kansas, and it's—the business is actually established and generated, and they use_—does Westar have part of the portfolio?

KS: Evergy—

JM: Evergy, I'm sorry.

KS: So Westar, they did build two or three wind farms in the state of Kansas, but it is more financially advantageous to the customer, to the rate payer if they do a long-term power purchase contract. So they contract with an actual developer that has significant expertise in the

 

development siting and the development of the project. So they do purchase a significant number of Kansas projects.

JM: And certain utilities around the country have made this a real emphasis, right?

KS: Yes.

JM: And have gotten into this development big time. It's a big part of what they do.

KS: Correct.

JM: Not only in Kansas, but elsewhere.

KS: Yes.

JM: So they established the wind farms and managed a generation of it, and then a company like Evergy will then purchase power from that development.

KS: Correct.

JM: That's how it works from the grid and part of the forecasting you were talking about earlier.

KS: Yes. And what's interesting in the last five years, we have what we call a C and I customer, a commercial and industrial customer. They have been driving the market for more than even the utilities. So Microsoft, Google, Meta, they have—and we haven't even talked about the power needs of AI, of artificial intelligence. But already the American consumer has an insatiable desire for electricity. We want to be able to store all of our pictures and charge twelve devices and be streaming at the same time while we have all of the lights on at our house and the dishwasher running and the washing machine going while we're in some cases charging a car.

So we have an unbelievable desire for energy, and we are looking at—our load growth has been largely flat since 2008, and we're starting to see an uptick.

JM: Inch up.

KS: It is actually projected by 2030 that we're going to see a 20 percent increase in electricity demand, and that's in six years. That's unbelievable. A large part of that is just due to the computing—the electricity needs for the computing power of AI. So whether it's Home Depot or Coca-Cola or Ikea, insert large corporate purchaser, and they all recognize that purchasing clean energy may be part of a philosophical goal or a corporate goal or a sustainability initiative, but also it is access to the lower-cost power, and you're signing a long-term contract, and it's also a fabulous hedge against other types of fuel volatility.

So they are by far and away the largest purchaser of clean energy going forward, and we don't see that changing because of the access to the lowest cost of power, the hedge, and it's reliable and affordable.

 

JM: If that increased demand is realized, there's going to be increased demand for more land for siting for more wind farms in Kansas and elsewhere, right? What's the political climate like? Is that going to be a hard sell?

KS: That's a really good question. I actually—I do think that there will be additional wind projects built in the state of Kansas. Power pricing for wind is just too strong. I don't foresee it being as robust a clip as it has been for the last twenty-so-odd years in large part because we have many projects that are now going to move into a repowering phase, and the technology has evolved such that again we're talking about taller towers, and we're talking longer blades.

JM: So you get more production out of existing once you improve the technology.

KS: Exactly, which can actually make the output of a particular project even more robust than it is right now. You may even reduce the number of turbines or at least hold stable.

JM: So several of those forty-five wind farms across the state are going to be—I think the term you used was "repowering," essentially just upgrading the technology.

KS: Upgrading the technology. Sometimes it's just a software upgrade. Other times it may be coming in and looking at each particular—you certainly want to look at each particular generating unit itself and figure out a way to optimize it. So maybe that's changing out a blade or maybe it's changing out some of the cells. So those evaluations are done on a project by project basis, and they're done regularly.

JM: Something we should have covered earlier, as I've heard you mention it, the wind power being generated here in Kansas is the cheapest?

KS: Yes, it is.

JM: Cheaper than all other types of generation?

KS: Yes.

JM: Coal, gas, etc.?

KS: It's the lowest cost generation.

JM: Has it always been that way?

KS: It has not always been that way.

JM: Because there was an argument about that initially I know.

KS: Correct. So when the wind industry was seeding in the state of Kansas in 2001 through 2008, '09 timeframe, it was a lower cost form of generation. But then we were able to reshore

 

most of the technology, most of the component parts. So where they used to be made in Europe or in other places around the world and then shipped in to the United States and then trucked or put across on rail into Kansas, we now are making most of those parts—more than 80 percent of the parts are made domestically. So that helped lower the cost significantly. And then forecasting improved. Research and development and technology enhancements really drove down the pricing.

So there were points in time when we were seeing power be put on the wholesale market I guess through RFP processes that were a sub two cents a kilowatt an hour, which is unbelievable.

JM: We spent a lot of time talking about wind. There are other types of alternative energy, certainly solar. To what extent is solar energy being developed in the state? Are you involved in that? I assume you are.

KS: Yes. We are involved in the development of solar. So there's two different types of solar, I would say. There's a solar that people might know more commonly, they see it on their home, rooftop solar, or on some small businesses or farms. That's different. We're more involved in the development of utility-scale solar, so the larger project themselves. It will serve larger utilities or will serve those commercial customers, commercial and industrial customers.

And we actually just broke ground on the state's first 100-megawatt-plus solar facility a couple of weeks ago, which is very exciting. We have some smaller scale solar projects, a megawatt or two, all the way up to twenty megawatts, but this is the first large-scale solar project.

JM: Where is this project?

KS: This is in Barber County.

JM: Down near the Oklahoma border, near Medicine Lodge and that area?

KS: Yes, correct. What's interesting is that, so where Kansas wind is so cheap, it's really hard to compete with Kansas wind from a pricing standpoint, but now we're seeing that we do—again, diversification whether it's in your investment portfolio or in what you eat or in the type of power you generate, diversification is good, and so we need to—solar is a perfect combination with wind as far as their peaks are at different times, and they allow for additional—well, I won't get into the technical terms. But their peaks are at different times; so they complement each other well.

We're also seeing the growth of something that has long eluded the entire electric industry, which is storage, genuine storage of electricity. We have an operating storage facility in kind of north central Kansas, and we're seeing more large utility-scale battery-storage facilities proposed for around the state as well. So that is—think of a battery right there by a substation that's just storing electrons as they're being produced, and then those electrons can be deployed—

JM: Has that technology really been perfected? That's been under discussion for a long time.

 

KS: A long time. I wouldn't say it's perfected. I would say that battery storage feels to me today as wind felt in the '09, '10 time frame. It has come a long way, and in states larger than Kansas that have difficult energy needs, huge energy needs, sometimes trouble with reliability are really leaning into battery storage. So particularly what we call "hybrid projects" which is a wind farm with on-site battery storage or a solar facility in particular with an on-site battery storage or just standalone battery storage put real near a substation. So that will do more to change the industry or as much to change the industry potentially as the development of the SPP marketplace.

JM: What is the trajectory of the solar industry in Kansas? You just mentioned the first big 100-megawatt project now underway. Are we going to see many more of those here?

KS: Kansas has a great solar resource, and I do think that we will see more solar developed in this state. I think again it's just hard to compete with Kansas wind.

JM: Right.

KS: But I do think that we'll see strong development of Kansas solar.

JM: Do you think to some degree solar projects and wind projects are complementary? You may see some existing wind farms that add solar capacity or something down the road?

KS: Yes. The two are very complementary, both in how they interface with one another, how they interface with the grid, and then also one of our favorite projects for a long time was a long, historic oil-and-gas producer in Kansas had wells below, and then the same company owned the towers above on the same piece of ground. That project, both the wind farm itself and the wells are still in operation. I think that there will also be a day when we'll see solar added to that particular project. So we may see all different types of Kansas energy being produced on the same parcel of ground.

JM: And you're even involved to some extent in hydrogen. Kansas has long been rumored to have huge stores of hydrogen. I know that there's a federal emphasis on that. Can you just give us an update on where all that is?

KS: Sure. It is. Our geology is perfect from a hydrogen standpoint. We do, I think there is exploration as to—right now as to what our hydrogen, not just capabilities are, but whether or not we actually have hydrogen underground to be found in Kansas.

&So that is one element of it. But then there's also a significant push to decarbonize more of the heavy industries. So shipping and agriculture and over-the-road transportation, and hydrogen is one of the fastest ways to decarbonize. So we've been very involved in trying to attract more companies to the state of Kansas to invest and really see the hydrogen economy as well.

JM: There's a federal emphasis, too, though, right?

KS: There is.

 

JM: There's federal money available. There was kind of a sweepstakes, right?

KS: Yes.

JM: And Kansas participated in that. And we, what? We didn't make the list quite?

KS: So we were named the alternate for what's called the Hydrogen Hub Effort. And the hub itself through the Department of Energy, they selected seven different locations across the United States that were focused on the seven main areas of heavy industry to decarbonize. And Kansas, it wasn't the state of Kansas that had a submission, it was a bit of a public/private joint venture, if you will that submitted an effort to the Department of Energy. It's actually an awesome concept, and it's one that although while not selected to be part of the DOE hub program, it's one that we can build out with private investment on our own.

JM: Because you say we are an alternate site.

KS: Yes.

JM: So that in itself probably carries some cachet.

KS: Yes, I think so. It proves, it's a demonstration of what we were suggesting and proposing is very strong. We just don't have the population center that other states had or other regions had. So it's kind of hard to complete with a California and a Texas and a combined Northeast hub and a combined Northwest hub, strictly from a numbers standpoint.

JM: Sure.

KS: So we can propose on a per capita basis, the numbers were actually probably equal, but ours just looked smaller. When you're talking about 3,000 or 4,000, and they're talking about 210,000 jobs.

JM: How would you sum up your role over the years in terms of advancing the clean-energy agenda in Kansas? Are you one of the maybe handful of most important people in terms of having advanced it? It seems to me that you've been at the forefront of it for many, many, many years now.

KS: Well, I would never say I was the most important at all.

JM: I wouldn't expect you to say that. But from my vantage point, you are always in the conversation.

KS: I feel like there has been a lot of movement to advance clean energy in the state of Kansas, and I hope that more than anything, the role that I've gotten to play has been one of a guide for developers on how we expect you to do business in the state of Kansas. We expect you to be good stewards of the ground. We expect you to be good stewards within the community, committed community partners.

 

So from that standpoint, hopefully, it's a guide to the industry on how to do things the right way in the state of Kansas because I'm a fifth-generation Kansas. I do not want a company—I'm not interested in a company coming in that isn't a good fit for this state and isn't a good fit for the people of Kansas. And I have no problem telling developers if I don't feel like maybe they're not doing it the Kansas way that they should either adopt the Kansas way or maybe not do business here.

JM: And those sensibilities might have been heightened by the fact that you and your husband, Josh, you own quite a bit of farmland. You didn't grow up on a farm.

KS: Right.

JM: You certainly inherited a love of the land and those sensibilities in part because you are engaged in farmland at a pretty significant scale, are you not?

KS: Very much. Certainly being involved in the rural Kansas economy, but then also growing up in Johnson County, you know that what matters is the people and taking care of the people. So that's the best way to have a vibrant economy, bar none. And if you're not interested in doing things the right way and the best way and taking care of people, then there might be other places for you to develop.

But the flip side to that coin is from a policy standpoint, also hopefully helping guide that discussion as well. There are things that the industry should be expected to do, any industry should be expected to do. And so if there are things that need to be codified, either via a gentlemen's agreement or need to be codified in statute or via executive order, then let's make sure we do that. Let's make sure that the rules of the road are very clear so there's not that ambiguity. So if a good, strong company does want to come in and invest in the state that they know exactly the steps that they need to follow. And then if they follow those steps, then the rug won't be pulled out from underneath them, which is again one of the more—that is probably one of the greatest challenges to having a stable investment climate is constantly changing rules of the road.

So hopefully it's keeping the rules of the road stable while also making sure that the developers and those that are interested in doing business in Kansas are good actors. I think when you have those working hand in hand, then you can do really great things.

JM: Well, I want to thank you very much for your time and for this extensive tutorial. I mean, I learned so much just listening to you. I knew that wind energy, renewable energy had grown by leaps and bounds in Kansas, and I knew you were at the forefront of that, but you really have given us a lot to think about in terms of where we've come from and perhaps where we're going in this arena.

KS: It's been a real joy to get to do, and it's also been really fun watching around the state as we have other different leaders from all walks of life that have begun to realize and embrace the clean energy economy. So whether it's the heads of community colleges that are embracing new

 

programs or the Kid Win program—I cannot say enough about the teachers and students that participate in the Kid Win program, whether in fourth through sixth or middle school or high schools or collegiate Kid Win, we went every year, and it's the teachers and you see bankers that have embraced it and school superintendents across—the ag community. So it's been a positive I think on balance for the state, and it's been really fun to get to be a part of—you know, a one person part of a choir that has really tried to bring a new economy to our state.

JM: And we identified you as a "lobbyist," but I've seen articles where you've referred to yourself—you say being a good lobbyist is really being a teacher.

KS: Yes, very much so. My job is to make sure that people understand and then they understand all sides, and they can make a decision.

JM: Very good. Kimberly Svaty, the founder of Gencur Svaty Public Affairs, right? That's the name of the firm? Founded in 2007, the forefront of the development of wind and renewable energy in Kansas for all those many years. Thank you for spending time with us. I really appreciate it.

KS: Thank you. I appreciate getting to be part of this wonderful project. Thank you.

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