

Approved: March 9, 2011
Date

MINUTES OF THE HOUSE ENERGY AND UTILITIES COMMITTEE

The meeting was called to order by Chair Carl Holmes at 9:00 A.M. on February 16, 2011, in Room 785 of the Docking State Office Building.

All members were present except:

Representative Rob Bruchman-excused
Representative Stan Frownfelter-excused

Committee staff present:

Matt Sterling, Office of the Revisor of Statutes
Mary Torrence, Office of the Revisor of Statues
Cindy Lash, Kansas Legislative Research Department
Corey Carnahan, Kansas Legislative Research Department
Renaë Hansen, Committee Assistant

Conferees Appearing Before the Committee:

Tom Day, KCC
Representative Forrest Knox, 13th District
Dave Springe, CURB
Dick Rohlfs, Westar

Others Attending:

Twenty Three including the attached list.

Chairman Carl Holmes allowed Representatives Finney, Proehl, Schroeder, Sloan, and Kuether to introduce their high school and middle school shadows for the day.

Action on:

HB 2143-Electric generation, transmission and distribution; relating to recovery of costs for energy storage devices.

Representative Tom Sloan spoke to the committee about the value of this piece of proposed legislation.

Representative Tom Sloan moved to pass **HB2143** favorably to the House chamber as proposed. Seconded by Representative Nile Dillmore.

Discussion ensued between Representatives: Annie Kuether and Tom Sloan.

Motion to pass the bill out failed 6-8.

Action on **HB 2143** was closed.

Chairman Holmes handed out (Attachment 1) background information on an article entitled, "Wyoming challenges EPA greenhouse regulations in court" out of Cheyenne, Wyoming.

Tom Day announced to the committee that there would be a round table on telecommunications at the KCC, scheduled for March 4 from 8-12 and 1-4.

Hearing on:

HB 2267-Utilities; electric supply and demand reports.

Matt Sterling explained HB 2267 to the committee.

Questions were asked and comments made by Representatives: Annie Kuether and Carl Holmes.

Proponents:

Tom Day, KCC, spoke to the committee (Attachment 2) as a proponent to **HB 2267**. He noted that the KCC does do this report regularly, but this bill would put its requirement in statute.

CONTINUATION SHEET

The minutes of the House Energy and Utilities Committee at 9:00 A.M. on February 16, 2011, in Room 785 of the Docking State Office Building.

Questions were asked and comments made by Representative: Reynaldo Mesa and Carl Holmes.

The hearing on **HB 2267** was closed.

Action on:

HB 2267-Utilities; electric supply and demand reports.

Representative Tom Sloan moved the committee pass HB 2267 favorably for passage and put in on the consent calendar. Seconded by Representative Mike Burgess. Motion passed unanimously.

Action on **HB 2267** was closed.

Hearing on:

HB 2303-Utilities; rate-making and variable time-of-day pricing.

Matt Sterling gave the committee a brief overview (Attachment 3) of **HB 2303**. He noted that the bill would require that any electric public utility that had deployed smart meters to a majority of its residential customers within the boundaries of a corporate city, on or before July 1, 2012, file a tariff to be used within in that city for variable time-of-day pricing of electricity used and a cost-based customer charge for residential customers and to begin billing such customers pursuant to the tariff on January 1, 2013.

Proponents:

Representative Forrest Knox presented testimony (Attachment 4) in support of **HB 2303**. He noted that the bill requires: variable time-of day pricing, cost based customer charge, filed on or before July 1, 2012, start billing customers on January 1, 2013, provide access to hourly prices, and provide hourly electricity usage data. He noted that this bill would be implemented crudely at first, then eventually become more sophisticated over time.

Questions were asked and comments made by Representatives: Joe Seiwert, Richard Proehl, Phil Hermanson, and Gail Finney.

Opponents:

Dave Springe, CURB, (Attachment 5), spoke in opposition to **HB 2303**. He commented that the bill as written does not make sense. He noted that CURB is not opposed to exploring the many different pricing options that new "smart meter" technology may allow, including time-of-day rates.

Dick Rohlfs, Westar, (Attachment 6), offered testimony in opposition to **HB 2303**. Mr. Rohlfs noted that the goal of the bill is noble, but the path suggested in this bill to get there is not appropriate. He spent time explaining how they are planning to implement the federally funded smart grid system in Lawrence. During the pilots Westar hopes to gain knowledge of:

- customer understanding of dynamic pricing alternative,
- what technology is best suited for customers to receive information on energy prices and how frequently,
- the extent residential and commercial energy is modified by energy prices,
- what customer protections need to be updated for a digital age, and
- operational and customer services efficiencies arising from the use of this technology.

Mr. Rohlfs noted that the bill requires them to implement a pricing schedule so quickly that their experience tells them it would be difficult for their customers to adopt and embrace. He reiterated that Westar is supportive of the concept of the bill but the path is too quick to be accepted by the public.

Written Opponents:

CONTINUATION SHEET

The minutes of the House Energy and Utilities Committee at 9:00 A.M. on February 16, 2011, in Room 785 of the Docking State Office Building.

Tom Day, KCC, (Attachment 7) submitted writing comments concerning **HB 2303** in opposition.

Questions were asked and comments made by Representatives: Phil Hermanson, Carl Holmes, Forrest Knox, Nile Dillmore, Tom Sloan, and Mike Burgess.

Hearing on **HB 2303** was suspended until February 17, 2011.

The next meeting is scheduled for February 17, 2011.

The meeting was adjourned at 10:47 A.M.