



FY 2013

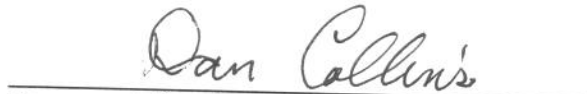
Agriculture and Natural Resources Budget Committee

Citizens' Utility Ratepayer Board
Department of Wildlife, Parks and Tourism
Kansas Corporation Commission


Representative Sharon Schwartz, Chair



Representative Don Schroeder, Vice-Chair

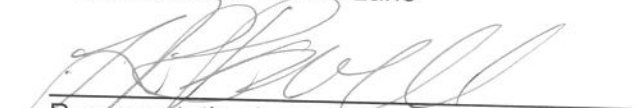

Representative Sydney Carlin, Ranking
Minority Member


Representative Dan Collins


Representative Carl Holmes


Representative Steven Johnson


Representative Harold Lane


Representative Larry Powell


Representative Tom Sloan

House Budget Committee Report

Agency: Citizens' Utility Ratepayer Board **Bill No. --**

Bill Sec. --

Analyst: Turnbull

Analysis Pg. No. --

Budget Page No. --

Expenditure Summary	Agency Request FY 2013	Governor Recommendation FY 2013	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	836,462	819,733	16,729
Subtotal	<u>\$ 836,462</u>	<u>\$ 819,733</u>	<u>\$ 16,729</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 836,462</u></u>	<u><u>\$ 819,733</u></u>	<u><u>\$ 16,729</u></u>
FTE positions	6.0	6.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>6.0</u></u>	<u><u>6.0</u></u>	<u><u>0.0</u></u>

Agency Request

The **agency** requests FY 2013 operating expenditures of \$836,462, all from special revenue funds, which is a decrease of \$46,919, or 5.3 percent, below the FY 2012 estimate. This request does not include remaining funds to be carried forward from the current year. The agency is allowed to carry forward any unused balances in consulting fees from the previous year but can only use this money on contracts for consultants. The request includes 6.0 FTE positions, which is the same as the current year.

Governor's Recommendation

The **Governor** recommends FY 2013 operating expenditures of \$819,733, all from special revenue funds, which is a decrease of \$63,648, or 7.2 percent, below the Governor's FY 2012 recommendation. When compared to the agency request, the recommendation is a decrease of \$16,729, or 2.0 percent, reflecting reduced professional service fees. The Governor concurs with the agency request for 6.0 FTE positions.

Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's FY 2013 recommendation with the following adjustments and comment:

House Budget Committee Report

Agency: Department of Wildlife, Parks and Tourism **Bill No. --**

Bill Sec. --

Analyst: Waltner

Analysis Pg. No. --

Budget Page No. 452

Expenditure Summary	Agency Request FY 2013	Governor Recommendation FY 2013	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 6,297,111	\$ 0	\$ 0
Other Funds	57,319,845	60,191,510	0
Subtotal	\$ 63,616,956	\$ 60,191,510	\$ 0
Capital Improvements:			
State General Fund	\$ 1,506,600	\$ 0	\$ 0
Other Funds	7,687,502	7,694,102	0
Subtotal	\$ 9,194,102	\$ 7,694,102	\$ 0
TOTAL	\$ 72,811,058	\$ 67,885,612	\$ 0
FTE positions	431.5	418.5	0.0
Non FTE Uncl. Perm. Pos.	35.0	35.0	0.0
TOTAL	466.5	453.5	0.0

Agency Request

The **agency** requests FY 2013 operating expenditures totaling \$63.6 million, including \$6.3 million from the State General Fund, \$5.2 million from the Economic Development Initiatives Fund (EDIF), \$750,000 from the Expanded Lottery Act Revenues Fund (ELARF), and \$200,000 from the State Water Plan Fund (SWPF). The request includes \$6.6 million, including \$1.5 million from the State General Fund, in enhancement funding. Absent the enhancements, the FY 2013 request for operating expenditures totals \$57.0 million, including \$4.8 million from the State General Fund and \$1.9 million from the EDIF. The request is an all funds decrease of \$6.0 million, or 9.5 percent, a State General Fund decrease of \$1.3 million, or 21.5 percent, and an EDIF decrease of \$289,290, or 13.5 percent, below the revised FY 2012 estimate. The agency requests \$9.2 million, including \$1.5 million from the State General Fund, in capital improvements expenditures for FY 2013. The request includes \$1.5 million, all from the State General Fund, in enhancement funding for major parks maintenance.

Governor's Recommendation

The **Governor** recommends \$60.2 million, including \$7.7 million from the Economic Development Initiatives Fund and \$1.8 million from the Expanded Lottery Act Revenues Fund. The recommendation is an all funds reduction of \$3.4 million, or 5.4 percent, and a State General Fund reduction of \$6.3 million, or 100.0 percent, below the agency's FY 2013 request.

The recommendation is an increase of \$2.5 million, or 48.3 percent, from the Economic Development Initiatives Fund and \$1.0 million, or 138.1 percent, from the Expanded Lottery Act Revenues Fund above the agency's FY 2013 request. The overall difference is due to the Governor recommending \$2.1 million of the agency's \$6.6 million in enhancement funding, the addition of \$1.8 million from the Expanded Lottery Act Revenues Fund to pay off debt associated with the park cabins, and the deletion of \$779,597 and 13.0 FTE positions associated with the Voluntary Retirement Incentive Program. The recommendation does shift funding for the Department from the State General Fund entirely and increases expenditures from the Economic Development Initiatives Fund. The FY 2013 recommendation for capital improvements totals \$7.7 million, including \$6,600 from the Economic Development Initiatives Fund. The recommendation is an all funds decrease of \$1.5 million, or 16.3 percent, and a State General Fund decrease of \$6,600, or 100.0 percent, below the agency's request. The overall decrease is due to the Governor not recommending the agency's enhancement request. The State General Fund decrease is due to the Governor's recommendation to shift funding from the State General Fund to the Economic Development Initiatives fund in FY 2013.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation with the following notations:

1. The Budget Committee notes that the Governor's included \$1.8 million, all from the Expanded Lottery Act Revenues Fund, in FY 2013 to repay loans held by Kansas Wildscape, a non-profit agency affiliated with the Department, associated with the cabin program within the Department. The Memorandum of Understanding between the Department and Wildscape stipulates that while Wildscape is responsible for debt related to the cabins they would receive 75.0 percent of revenues from the cabins. When the debt is paid off they will receive 10.0 percent of revenues from the cabins. The Governor's recommendation retires all of the debt held by Wildscape and will shift the percentage of revenue received by Wildscape to 10.0 percent. This will increase cabin revenues to the Department from approximately \$450,000 annually to approximately \$1.1 million annually.
2. The Budget Committee recommends deleting the language limiting expenditures from the Cabin Revenue Fund for capital improvement expenditures. This will allow the agency to complete cabin site preparation and construction as funds are available and does not limit the amount of capital expenditures for the cabin program in FY 2013.
3. The Budget Committee recommends that the agency review its membership in professional organizations to ensure that the annual membership fees are a good investment for the state.
4. The Budget Committee commends the agency on the quality and straight forward nature of its budget presentation.

House Budget Committee Report

Agency: State Corporation Commission

Bill No. --

Bill Sec. --

Analyst: Boudewyns

Analysis Pg. No. --

Budget Page No. --

Expenditure Summary	Agency Request FY 2013	Governor Recommendation FY 2013	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	21,582,088	21,006,652	0
Subtotal	\$ 21,582,088	\$ 21,006,652	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
TOTAL	\$ 21,582,088	\$ 21,006,652	\$ 0
FTE positions	212.0	209.0	0.0
Non FTE Uncl. Perm. Pos.	6.5	6.5	0.0
TOTAL	218.5	215.5	0.0

Agency Request

The **agency** requests a FY 2013 budget totaling \$21.6 million, all from special revenue funds, which is a decrease of \$14.4 million, or 40.0 percent, below the agency's revised FY 2012 estimate. The FY 2013 request includes enhancement requests totaling \$780,777, all from special revenue funds. Absent the enhancement requests, the FY 2013 request is \$20.8 million, which is a decrease of \$15.2 million, or 42.2 percent, below the revised FY 2012 estimate. The decrease is due to the loss of American Recovery and Reinvestment Act (ARRA) funding. The 212.0 FTE positions the agency requested did not change from the current year.

Governor's Recommendation

The **Governor** recommends a FY 2013 budget totaling \$21.0 million, all from special revenue funds, which is a decrease of \$575,436, or 2.7 percent, below the agency's FY 2013 request and a decrease of \$8,790,257, or 29.5 percent, below the Governor's FY 2012 recommendation. The decrease between FY 2012 and FY 2013 is attributed to the ending of federal American Recovery and Reinvestment Act (ARRA) funding. The Governor's FY 2013 recommendation includes a 1.0 percent reduction to other operating expenditures across all agency programs, as well as fee fund savings due to the Voluntary Retirement Incentive Program. The recommendation includes \$100,000 from the Public Service Regulation Fund for the Kansas Electric Transmission Authority, as well as \$519,577 in enhancement funding for the horizontal drilling initiative. The recommendation does not include the \$400,000 transfer from

the State General Fund to the Abandoned Oil and Gas Well Fund and the Governor does not recommend enhancement funding for agency replacement vehicles at this time. Further, the Governor recommends a reduction of 3.0 FTE positions as part of the Voluntary Retirement Incentive Program.

Budget Committee Recommendation

The **Committee** concurs with the Governor's recommendation with the following adjustments:

1. The Committee recommends introduction of legislation clarifying the legislative intent on who is responsible for plugging abandoned wells. The Committee notes that the Kansas Corporation Commission estimates that one effect of the 2008 Quest decision is the addition of 10,000 to 20,000 more abandoned wells to the state's abandoned well plugging inventory. The Quest decision states that for an operator to be responsible for an abandoned well the operator must either physically operate the well itself, drill the well under the current lease agreement, or assume responsibility for the well.
2. The Committee notes that there would be an estimated additional 905 abandoned wells plugged and removed from the inventory had State General Fund monies been available during previous years. (see attached report.)
3. The Committee recommends that the agency re-prioritize its request for vehicles and that the issue be revisited during omnibus. The Committee notes that this is a fee funded agency and a number of their vehicles are for off-road travel for time-sensitive Conservation Division work.
4. The Committee recommends that all fines and penalties associated with the civil assessment program be deposited directly into the State General Fund. The following provisos from enrolled 2011 House Bill 2014 would be included:
 - Sec. 95(g) Notwithstanding the provisions of K.S.A. 66-1,142b, and amendments thereto, or any other statute, to the contrary, all moneys received from civil penalties related to the Kansas highway patrol civil assessment program charged and collected by the state corporation commission under the motor carrier act and other laws relevant to motor carriers shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto, deposited in the state treasury and shall be credited to the state general fund.
 - Sec. 133(d) On July 1, 2012, and January 1, 2013, or as soon after each date as moneys are available the director of accounts and reports shall transfer an amount specified by the executive director of the state corporation commission, with the approval of the director of the budget, of not more than \$266,750 from the motor carrier license fees fund of the state corporation commission to the motor carrier safety assistance program state fund of the Kansas highway patrol.
5. The Committee notes that the decrease in the Governor's recommendation from FY 2012 to FY 2013, which is \$8,790,257, or 29.5 percent, is largely the result of the final expenditure of federal American Recovery and Reinvestment Act funding in FY 2012.
6. The Committee notes that during FY 2012, the KCC is anticipating a dramatic increase in oilfield activity in south central Kansas from horizontal drilling used in tandem with hydraulic fracturing. The Commission has been working collaboratively with industry and other state agencies to streamline the approval process for horizontal well permits and to address other issues related to a potential "boom" in drilling activity.

**Report of the
Joint Committee on Energy and
Environmental Policy
to the
2012 Kansas Legislature**

CHAIRPERSON: Representative Carl Holmes

VICE-CHAIRPERSON: Senator Carolyn McGinn

OTHER MEMBERS: Senators Marci Francisco, Ralph Ostmeyer, Mike Petersen, and Mark Taddiken; and Representatives Mitch Holmes, Forrest Knox, Annie Kuether, Tom Sloan, and Vince Wetta

CHARGE

- Study energy and environmental policy in Kansas.

LCC ASSIGNED TOPICS

- **Kansas Corporation Commission's Abandoned Oil and Gas Well Plugging Program.** Study the Kansas Corporation Commission's abandoned oil and gas well plugging program. Review the effectiveness of the program. Study the impact of not transferring the \$400,000 from the State General Fund yearly into the program, as required by statute.

Joint Committee on Energy and Environmental Policy

REPORT

CONCLUSIONS AND RECOMMENDATIONS

The Joint Committee makes the following conclusions and recommendations:

- The House Appropriation Committee and the Senate Ways and Means Committee are advised that the failure to appropriate \$400,000 annually from the State General Fund, as required by statute, for the Abandoned Oil and Gas Well Plugging program from FY 2004 through FY 2012 has resulted in approximately 900 fewer abandoned wells being plugged than if the funding had been provided. Appropriation of State General Fund moneys in those years would have resulted in a 19 percent increase in the number of wells plugged over that time period.
- The Kansas Corporation Commission should study the future feasibility and adequacy of the Well Assurance Fund, which is used to plug abandoned wells drilled after 1996. Although the Fund has not been drawn upon to-date, the Commission's review should evaluate the Fund's adequacy in light of significant coal-bed methane drilling in southeast Kansas. The Commission's findings should be reported to legislative committees during the 2012 Session.
- The Kansas Corporation Commission should report additional information to the House Energy and Utilities Committee and the Senate Utilities Committee regarding the ability of the State's electric utilities to meet 2012 Renewable Energy Standards without the use of Renewable Energy Credits, as well as the changes the utilities will have to make in their energy supply sources to meet the standards in 2016 and 2020 and the likely cost impact to ratepayers of those charges.
- The Joint Committee appreciates the efforts of the Kansas Corporation Commission to implement the Efficiency Kansas program, and encourages the Commission to continue its efforts to secure funding for the program, to allow it to continue as a revolving fund.
- The House Appropriations Committee and the Senate Ways and Means Committee should consider the recommendations of the Kansas Water Authority to strengthen the sustainability of the state's reservoirs and water supplies. In brief, the Authority's recommendations are to do the following:
 - Support a 2013 budget request for \$6 million for activities that reduce sedimentation and nutrient loading into waterways and reservoirs;

- Develop a detailed implementation plan, including costs and schedules, for the Neosho Basin Reservoir Roadmap;
- Amend KSA 82a-1102 to remove the requirement for federal participation in streambank stabilization, and permit 100 percent cost share for projects with substantial state interest;
- Provide state authority for a systematic dredging program to restore water supply storage capacity at reservoirs; and
- Provide authority for the state to cooperate in development of small lakes for any purpose, and remove flood control as a primary requirement from the multipurpose small lakes program.
- The House Appropriations Committee and the Senate Ways and Means Committee should consider funding to address sedimentation in John Redmond Reservoir, including funding for streambank stabilization projects in the Neosho River, upstream of the Reservoir.

Proposed Legislation: The Committee recommends introduction of three bills that would do the following:

- Amend KSA 79-23,207 to increase the existing income tax credit for plugging an abandoned oil or gas well from 50 percent to 100 percent of the cost of plugging the well, and allow the lease operator as well as the landowner to be eligible to claim the credit;
- Vest ownership of all pore space in all strata below the surface with the surface owner; and
- Amend KSA 66-131 to require the Kansas Corporation Commission to issue a decision on an application for a certificate of public convenience within 180 days after receiving the application.

BACKGROUND

The Committee was established by enactment of 2008 SB 586 (KSA 46-3701), as an 11-member, bipartisan joint committee whose members serve two-year terms. The Committee's charge is to study energy and environmental policy in Kansas. For the 2011 interim, the Legislative Coordinating Council directed the Committee to study the Kansas Corporation Commission's (KCC) abandoned oil and gas well plugging program, including reviewing the effectiveness of the program and studying the

impact of not transferring \$400,000 annually from the State General Fund into the program, as required by statute.

COMMITTEE ACTIVITIES

The Committee met for five days in 2011: January 21, September 9, October 17-18 and November 22. In addition to the assigned topic of reviewing the KCC's abandoned oil and gas well plugging program, the Committee gathered information on a wide range of topics including

water availability, ownership of pore space, hydraulic fracturing, energy-related research at Kansas universities, updates on American Recovery and Reinvestment Act (ARRA) energy and weatherization programs, the potential effects of new Environmental Protection Agency (EPA) regulations, other issues affecting electric and gas utilities, wind and transmission development, renewable portfolio standards, energy tax incentives, and innovative landfill programs. The Committee also received testimony on four draft bills.

Abandoned Oil and Gas Well Plugging Program

Doug Louis, Conservation Division Director, KCC, provided an overview of the Program. Two funds were created by the Legislature in 1996 to support plugging activities: the Abandoned Well/Site Remediation Fund is used to plug abandoned wells drilled before 1996 and to remediate contamination sites; the Well Assurance Fund is used to plug wells drilled after 1996. The money from these funds is used only when the state is unable to locate a potentially responsible party, *i.e.*, a person or company who is required by law to plug the well. The Assurance Fund has never been accessed to date, so testimony focused on the plugging of abandoned wells drilled prior to 1996.

The KCC classifies each abandoned well according to the threat it poses to surface water, groundwater, or public safety. For example, a Priority I-A well might be actively discharging oil or brine into surface water, a Priority I-B well might be intermittently discharging into surface water, a Priority I-C might be outside a sensitive groundwater area and intermittently discharging oil and brine or might have the potential for such discharges, while a Priority II well is more likely to be of relatively modern construction and not to pose an ongoing or potential threat to the environment or to public safety.

The agency reported it generally plugs the most dangerous wells first. Some exceptions occur, for instance it may be more economical to plug an entire field of wells at the same time, even if the wells are a mix of priority levels. The KCC reported its inventory of abandoned wells requiring action showed the following changes from January 1997 through July 20, 2011:

- The total abandoned wells requiring action decreased from 10,310 to 5,516 (46.5 percent reduction);
- Priority I-A wells awaiting action decreased from 963 to 5 (99.5 percent reduction);
- Priority I-B wells awaiting action decreased from 2,107 to 1,207 (42.7 percent reduction);
- Priority I-C wells awaiting action decreased from 6,634 to 3,565 (46.2 percent reduction); and
- Priority II wells awaiting action rose from 606 to 739 (21.9 percent increase).

John McCannon, Conservation Division Litigation Counsel, KCC, discussed the criteria for determining who is responsible for plugging an abandoned well, and how the Commission's evolving interpretation of the term "current or last operator" has made it more difficult to locate a party responsible for plugging. The KCC expects the abandoned well inventory to increase as operators realize that, under the most recent interpretation, they can report abandoned wells on their leases and not be held responsible for plugging those wells (if the wells were drilled and abandoned by someone else).

The number of wells plugged each year has varied with the average cost of plugging (approximately \$2,500 to \$4,500 per well) and the amount of funding available.

By law, the Abandoned Well/Site Remediation Fund is to be supported from four sources: increased assessments on crude oil and natural gas production, the State General Fund, the State Water Plan, and 50 percent of the monies received by the state through the federal mineral leasing program. In 1996, transfers from each of the first three sources was set in statute at \$400,000 annually, and it was estimated that 50 percent of mineral lease payments would generate about \$400,000 per year also.

Over the years, legislative action has reduced the funding available from the State General Fund and, to a lesser extent, from the State Water Plan. No State General Fund transfers have been authorized from fiscal year 2004 through fiscal year 2012. No State Water Plan transfers were authorized for fiscal years 2003 and 2004, and transfer amounts were reduced for fiscal year 2009 through fiscal year 2011.

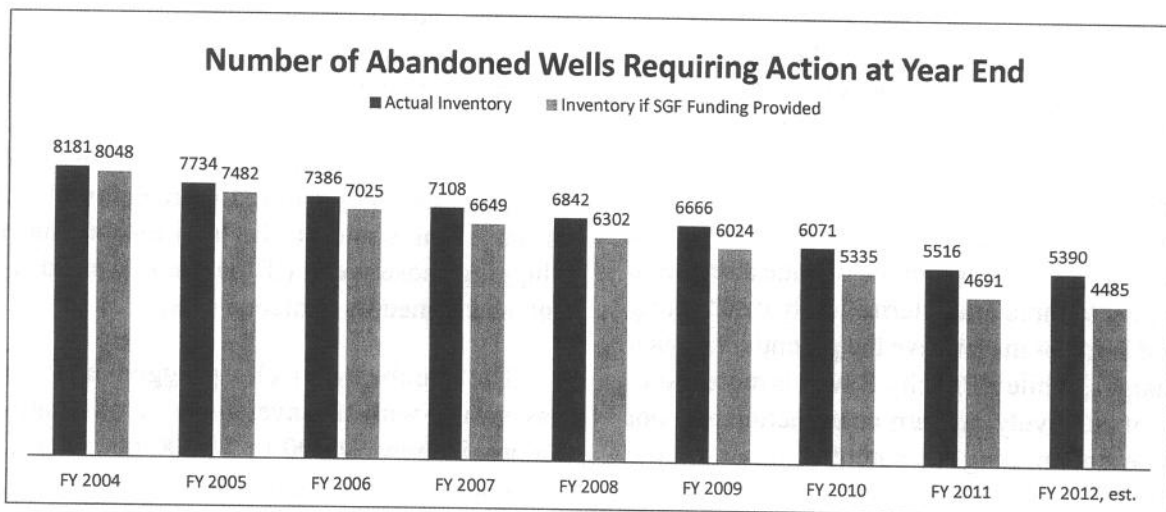
The Committee was charged with studying the impact of not transferring \$400,000 annually into the Abandoned Well/Site Remediation Fund from fiscal year 2004 through fiscal year 2012. During those years, the inventory of abandoned wells requiring action was reduced by 3,073 wells. (Note: the effects for 2012 are estimated)

If State General Fund monies had been available during those years, an estimated additional 905 abandoned wells could have been plugged and removed from the inventory, as shown in the chart below. In all, 19 percent more wells could have been plugged during that time.

The Committee received testimony on two draft bills related to plugging abandoned wells, and voted to introduce a bill in the 2012 Session that would increase the current tax credit for landowners who pay to plug an abandoned well on their land from 50 percent to 100 percent of the cost incurred to plug the well. The bill also would extend the tax credit to lease holders who plug an abandoned well on a lease. The Department of Revenue reported the current tax credit is claimed very infrequently.

Water Availability

Tracy Streeter, Director, Kansas Water Office (KWO), discussed possible interstate cooperation with Missouri and Oklahoma on Ozark Aquifer water supply. The Ozark Aquifer system underlies parts of Missouri, Kansas, Oklahoma, and Arkansas. This aquifer is the primary source of water supply for many municipalities in Southeast Kansas, Southwest Missouri,





LONG-TERM FORECAST OF ABANDONED WELL INVENTORY IN KANSAS

Provided by Conservation Division – Kansas Corporation Commission

FISCAL YEAR	TOTAL FUNDING*	LESS REMEDIATION	PLUGGING \$ AVAILABLE	AVERAGE COST PER WELL	FY BEGINNING INVENTORY OF WELLS REQUIRING ACTION	NET WELLS ADDED TO / DELETED FROM INVENTORY**	NUMBER OF WELLS PLUGGED (FUNDS AVAILABLE / AVG WELL COST)	FY ENDING INVENTORY OF WELLS REQUIRING ACTION
FY2009	\$2,044,467	\$8,321	\$2,036,146	\$3,871	6842	360	526	6676
FY2010	\$1,497,029	\$67,029	\$1,430,000	\$4,400	6676	-280	325	6071
FY2011	\$1,640,686	\$13,486	\$1,627,200	\$4,520	6071	-195	360	5516
FY2012	\$1,679,911	\$50,000	\$1,629,911	\$5,000	5516	300	326	5490
FY2013	\$1,634,573	\$50,000	\$1,584,573	\$5,250	5490	300	302	5488
FY2014	\$2,018,571	\$50,000	\$1,968,571	\$5,500	5488	300	358	5430
FY2015	\$2,002,900	\$50,000	\$1,952,900	\$5,750	5430	300	340	5391
FY2016	\$1,987,552	\$50,000	\$1,937,552	\$6,000	5391	300	323	5368
FY2017	\$2,000,000	\$50,000	\$1,950,000	\$6,000	5368	300	325	5343
FY2018	\$2,000,000	\$50,000	\$1,950,000	\$6,000	5343	300	325	5318
FY2019	\$2,000,000	\$50,000	\$1,950,000	\$6,000	5318	300	325	5293
FY2020	\$2,000,000	\$50,000	\$1,950,000	\$6,000	5293	300	325	5268
FY2021	\$2,000,000	\$50,000	\$1,950,000	\$6,500	5268	300	300	5268
FY2022	\$2,000,000	\$50,000	\$1,950,000	\$6,500	5268	300	300	5268
FY2023	\$2,000,000	\$50,000	\$1,950,000	\$6,500	5268	300	300	5268
FY2024	\$2,000,000	\$50,000	\$1,950,000	\$6,500	5268	300	300	5268
FY2025	\$2,000,000	\$50,000	\$1,950,000	\$6,500	5268	300	300	5268
FY2026	\$2,000,000	\$50,000	\$1,950,000	\$7,000	5268	300	279	5289
FY2027	\$2,000,000	\$50,000	\$1,950,000	\$7,000	5289	300	279	5311
FY2028	\$2,000,000	\$50,000	\$1,950,000	\$7,000	5311	300	279	5332
FY2029	\$2,000,000	\$50,000	\$1,950,000	\$7,000	5332	300	279	5353
FY2030	\$2,000,000	\$50,000	\$1,950,000	\$7,000	5353	300	279	5375
TOTALS	\$42,505,689	\$1,038,836	\$41,466,853			5585	7052	

*** SOURCES OF FUNDING FOR ABANDONED WELL PLUGGING:**

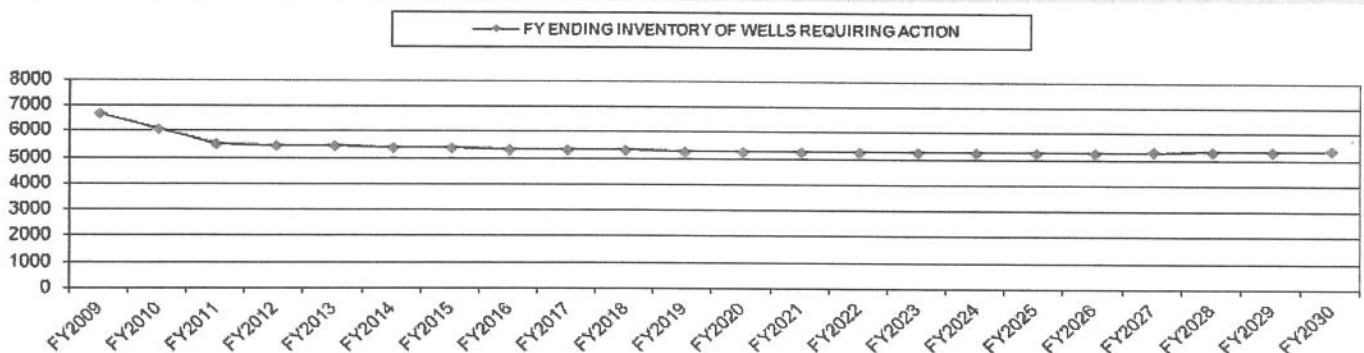
KSA 55-192 & 193	\$400,000	SGF (State General Fund) (assume re-instatement in FY14 and after)
KSA 55-192 & 193	\$400,000	SWP (State Water Plan)
KSA 55-192 & 193	\$400,000	CFF (Conservation Fee Fund)
KSA 27-118	\$800,000	FMRT (Federal Mineral Royalty Trust)
	\$2,000,000	Estimated Total Annual Fund

*** FACTORS AFFECTING FUNDING FOR ABANDONED WELL PLUGGING:**

- State General Fund transfers were not made from FY2004 through FY2013.
- Projected funds for plugging will be less if SGF transfers are not resumed.
- State sweeps of CFF in FY09 & FY10 eliminated the viability of additional transfers to the abandoned well fund.
- The current program sunset is June 30, 2016. Extensions will be necessary to continue program.

**** FACTORS AFFECTING WELLS DISCOVERED AND ADDED TO INVENTORY:**

- Docket No. 07-CONS-155-CSHO (QUEST CASE) re-defined "responsible party".
- New KCC website for reporting of abandoned wells.
- New KCC operator well inventory reporting requirements include abandoned wells.
- Original 1996 estimates of total abandoned wells were approximately 40,000 wells.
- Through increased field inspections in FY 2010, staff have removed wells from "requiring action" status.





Kansas Corporation Commission Energy Division | Recovery Act Grants

STATE ENERGY PROGRAM GRANT – \$38,284,000

This grant funds several programs, including Efficiency Kansas, energy efficiency improvements at state Universities, and projects in coordination with the Kansas Department of Commerce. These funds must be expended by March 31, 2012.

PROGRAM	GRANT AMOUNT
Efficiency Kansas Loans	\$5,900,000
\$100 Audit Program	\$1,224,200
Marketing Efficiency Kansas	\$500,000
Auditor Equipment Program	\$248,055
Energy Auditor Training	\$198,633
Thermal Envelope Rebate	\$308,500
Dynamic Pricing	\$200,000
Take Charge! Challenge	\$212,262
University of Kansas	\$1,500,000
Pittsburg State University	\$975,000
University of Kansas Medical Center	\$900,000
Emporia State University	\$900,000
Kansas State University	\$2,600,000
Dept. of Commerce – Biomethane Digester	\$15,600,000
Dept. of Commerce – Biomass Supply Chain	\$4,900,000
Administrative and Other Costs	\$2,117,350
TOTAL: \$38,284,000	

ENERGY EFFICIENCY & CONSERVATION BLOCK GRANT – \$9,593,500

These grant funds were distributed in 4 projects, provided to state agencies, universities, and local governments. In addition to the projects listed below, the KCC budgeted \$573,230 for administrative expenses.

Renewable Energy Incentives Grant

The KCC set aside more than \$2 million for renewable energy projects.

GRANTEE	PROJECT	GRANT AMOUNT
Cloud County	Heat Pump	\$250,000
Dept. of Wildlife, Parks and Tourism	Solar Photovoltaics/Solar Thermal/Biomass Boilers/Propane/Five Wind Turbines	\$250,000
Dodge City USD 443	Heat Pump	\$212,500
Shawnee Mission School District USD 512	PV Panels	\$208,000
City of El Dorado	Wind Turbine	\$302,000
City of Chanute	Heat Pump	\$200,000
City of Prairie Village	Heat Pump	\$250,000
Pittsburg State University	Heat Pump	\$250,000
Douglas County Extension Service	Solar PV	\$4,950
Kansas State Fair	Solar/Wind	\$200,000
Cedar Crest	Solar Lighting	\$25,000
TOTAL: \$2,152,450		

Public Projects Grant

The Public Projects Grant is designed to improve the energy efficiency of public buildings in cities and counties. Projects include upgrades to lighting, HVAC, windows, and more.

GRANTEE	GRANT AMOUNT	GRANTEE	GRANT AMOUNT
Allen County	\$150,000	City of Washington	\$60,783
Atchison County	\$150,000	Clay County	\$150,000
Atchison Public Library	\$144,000	Cloud County	\$150,000
City of Clay Center	\$49,420	Edwards County	\$150,000
City of Clyde	\$50,340	Elk County	\$150,000
City of Council Grove	\$21,000	Hamilton County	\$150,000
City of Ellsworth	\$19,200	Hodgeman County	\$150,000
City of Frankfort	\$3,600	Jewell County	\$118,914
City of Hiawatha	\$150,000	Kansas State Fair	\$100,000
City of Iola	\$137,920	Kearny County	\$11,676
City of Kinsley	\$24,000	Linn County	\$34,800
City of Larned	\$150,000	Marshall County	\$150,000
City of Melvern	\$21,566	Mitchell County	\$81,951
City of Norton	\$13,297	Nemaha County	\$150,000
City of Ottawa	\$49,584	Phillips County	\$150,000
City of Prairie Village	\$150,000	Republic County	\$150,000
City of Roeland Park	\$87,000	Thomas County	\$96,969
City of Sabetha	\$150,000	Wallace County	\$150,000
City of Sedgwick	\$150,000	Washburn University	\$300,000
City of St. Marys	\$7,800	Washington County	\$84,000
City of Stockton	\$150,000		
TOTAL: \$4,367,820			

Energy Managers Grant

The KCC awarded grants of \$170,000 to 10 coalitions to fund Energy Managers who will identify energy-saving opportunities in the coalition and promote energy efficiency to the public.

ENERGY MANAGER GRANT COALITION MEMBERS	
Clifton-Clyde Coalition	Franklin County Coalition
Dodge City Coalition	Greensburg Coalition
El Dorado Butler Coalition	Rice County Coalition
Emporia Coalition	Winfield Coalition
Eudora Coalition	Fort Scott Coalition
TOTAL: \$1,700,000	

Take Charge! Challenge

The KCC sponsored the 2011 *Take Charge! Challenge*, a friendly competition among 16 communities to save the most energy. Each community received \$25,000 for the competition, and the four winning communities received a \$100,000 grant for energy efficiency or renewable energy projects.

2011 TAKE CHARGE! CHALLENGE PARTICIPATING CITIES			
Baldwin City*	Gardner	Lawrence	Paola
Chanute	Goodland	Manhattan*	Parsons
Colby*	Hoxie	Oakley	Pittsburg
Fort Scott*	Iola	Ottawa	Wakeeney
TOTAL: \$800,000			

*Winning cities