

MINUTES OF THE HOUSE ENERGY AND UTILITIES COMMITTEE

The meeting was called to order by Chairman Carl Holmes at 9:00 A.M. on January 16, 2007 in Room 241-N of the Capitol.

All members were present except:

Oletha Faust-Goudou- excused

Committee staff present:

Mary Galligan, Kansas Legislative Research
Dennis Hodgins, Kansas Legislative Research
Jason Long, Revisor's Office
Rena Hansen, Committee Assistant

Conferees appearing before the committee:

Mark Parkinson, Kansas Lieutenant Governor, Kansas Energy Council Co-Chair
Ken Frahm, Kansas Energy Council Co-Chairs
Kimberly Gencur, ITC Great Plains

Others attending:

See attached list.

Report by Kansas Energy Council, Mark Parkinson, Kansas' Lieutenant Governor, and Ken Frahm, KEC Co-Chair, ([See Kansas Energy Council for Document](#)). Ken Frahm, KEC Co-Chair, spoke to the committee on the Kansas Energy Council (KEC), noting that the governor has added legislators to the KEC. He also spoke on Conservation and Efficiency Education and a possible requirement that the utilities would make this part of their "agenda". This would require that someone submit legislation to ensure this was done. Second, KEC wants to work on the demand side program which deals with improving an existing energy efficiency notification program for new homes, and disclosure of the efficiency of said home at the time of the closing of the home sale. They advocate that the disclosure form would be in a better, more readable format. The concept is to help consumers make informed decisions. Third, KEC would encourage, but not require, utilities to offer a PAYS program through which utilities offer to purchase an old worn out furnace and replace it with more efficient furnace that would stay with the property, with a payment back to the utility per month, billed in the consumer's monthly billing statement.

Lieutenant Governor Parkinson spoke on the Kansas Energy Plan. He spoke about the supply side of energy, specifically talking on wind energy. The potential for wind in Kansas is great. One of KEC's goals and beliefs is that with a combination of efficiency, and wind we can offset the increasing need for power. Two answers why we don't have wind: lack of certainty on the utilities that they will get the rate of return they need to survive as an economic entity, and second, is the lack of transmission to get the wind from its prime wind location to the places where it is needed. KEC focused this year on the utility issue. One recommendation is that KCC should consider the inherent value of wind when looking at rate of return filings. KEC is using every means possible to get that message to the KCC without legislation. Second, is to encourage the legislature to consider legislation that would give tax incentives for building wind.

Concerning transmission: If everything went perfectly it would take 4-5 years to get the transmission lines we need constructed. The State of Kansas through assorted energy and legislative organizations need to get the various groups together that want to build lines and have them work together. The Energy Council's goal is 10% renewable by 2015 but, the governor has taken a more aggressive approach of 20% by 2020. Once the transmission lines are built and KCC recognizes the cost of wind in rate cases we can, in fact, reach even the governors goal.

Additionally, KCC is looking at alternative energy sources and will recommend tax incentives when IGCC becomes a viable technology. They are also working with the bio-fuels industries and universities to get Kansas on the cutting edge.

Finally, it was commented that we, as a state and nation, have a challenge with renewable energy, but it is certainly a solvable challenge.

Questions were asked and comments made by Representatives: Annie Kuether, Peggy Mast, Cindy Neighbor,

CONTINUATION SHEET

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Josh Svaty, Tom Hawk, Tom Sloan, and Tom Moxley.

KEC also offered a list of the KEC members ([Attachment 1](#)).

Briefing on: Sunflower Bio-Refinery- Trevor KcKeenan, ([Attachment 2](#)), PowerPoint presentation, Kansas Bioscience Authority NISTAC (National Institute for Strategic Technology Acquisition and Commercialization), specifically focusing on the Sunflower Electric Power Corporation and their proposed plant in Holcomb. He noted that as the authority looks across the state, Holcomb offers a lot of advantages for the state. Holcomb will be one of the largest facilities of its' kind in the country. The goal of the plant with the integrated facility is that as prices fluctuate, they will have a more efficient system than without the integration. A multi-level approach makes sense for this plant with many diverse interactions between the systems. The current plant looks like the chart you see in the PowerPoint with the future having some links drop off and others added on, based on the best system to be used at the time. Sunflowers' goal is to scout the country and world looking for the best and newest technology. The challenge will be permitting the differing energy producing mechanisms and getting everything in line to get these plants up and running.

Questions were asked and comments made by Representatives: Don Myers, Josh Svaty, Terry McLachlan, Tom Moxley, Carl Holmes, Tom Hawk, and Bill Light,

Kimberly Gencur, ITC Great Plains, ([Attachments 3 and 4](#)) prepared documentation for the committee on "Energy 101" and a sheet to help members learn energy/utilities acronyms.

Rep Tom Sloan moved bill requests: first, to survey of households and business in state to determine if broad band system is functioning in certain areas and second, another bill whereby Ft. Riley and other military installations in Kansas would partner with energy conservation projects identified in the United States energy upgrade program allowing KDFEA to sell bonds for these upgrades. Seconded by Representative Annie Kuether. Motion carried.

Representative Holmes updated the committee on what KETA (Kansas Electric Transmission Authority), has been working on in regards to transmission this past year. The second meeting for KETA in 2007 is scheduled for February 2, 2007, 1 pm, at the KCC building.

Questions were asked by Representatives: Don Myers and Annie Kuether.

The next meeting is scheduled for January 17, 2007.

Meeting Adjourned.