

MINUTES OF THE SENATE UTILITIES COMMITTEE

The meeting was called to order by Chairman Pat Apple at 1:30 p.m. on March 2, 2009, in Room 545-N of the Capitol.

All members were present.

Committee staff present:

Mike Corrigan, Office of the Revisor of Statutes  
Melissa Doebelin, Office of the Revisor of Statutes  
Raney Gilliland, Kansas Legislative Research Department  
Cindy Lash, Kansas Legislative Research Department  
Ann McMorris, Committee Assistant

Conferees appearing before the committee:

Dr. Edward Hammond, President, Fort Hays State University  
Stuart Lowry, Kansas Electric Cooperatives  
Mark Schreiber, Westar Energy  
Tom Thompson, Sierra Club of Kansas

Others attending:

See attached list.

Chair opened the hearing on:

**SB 217 - Retail electric suppliers act, state educational institutions authorized to enter into certain energy generation agreements.**

Proponents:

Dr. Edward Hammond, President, Fort Hays State University, explained the purpose of **SB 217** is to allow the State's six Regent's institutions to enter into a relationship with a third-party, whereby the institution could purchase or otherwise obtain wind-generated electricity produced on property owned by the institution, for use in the institution's campus operations. Todd Powell, general counsel and exec. Asst. To Pres., Fort Hays State University, answered questions from the committee. (Attachment 1)

Opponents:

Stuart Lowry, Kansas Electric Cooperatives, KEC opposes **SB 217** and believes the intent of the bill can be realized under existing law. A state educational institution may currently generate their own wind energy or may contract to procure wind energy with their electric provider. It is not necessary or advisable to change the laws governing bundled retail electric service to address the generation component of such service. (Attachment 2)

Mark Schreiber, Westar Energy, voiced Westar opposition to **SB 217** because it allows the retail wheeling of electric power in Kansas. (Attachment 3)

Neutral

Tom Thompson, Sierra Club of Kansas, submitted written testimony. (Attachment 4)

Questions from the committee on production tax credits, the stimulus package, retail wheeling, third party relationships, and amending to clarify the language were discussed with the proponents and opponents and KCC.

Chair requested that the parties involved discuss this matter and reach an agreement to bring back to the committee.

Chair closed the hearing on **SB 217**.

CONTINUATION SHEET

Minutes of the Senate Utilities Committee at 1:30 p.m. on March 2, 2009, in Room 545-N of the Capitol.

Chair continued discussion and possible action on

**SB 265 - Energy conservation and electric generation, transmission and efficiency and air emissions.**

Mike Corrigan, office of the Revisor of Statutes, explained each of the proposed amendments to **SB 265**.

Moved by Senator Reitz, seconded by Senator Bruce, to adopt the amendment 265g5 to **SB 265**, to change the date on page 1, line 33 to "2007" and to add language on page 2, at the end of line 9 "the joint committee on state building construction and an electronic copy to"; striking lines 29 thru 32; and on line 37 striking "are at least 10% below" and insert the word "meet". Motion carried. (Attachment 5)

Moved by Senator Reitz, seconded by Senator Bruce, to adopt the amendment 265g9 to **SB 265** to Section 28. Motion carried (Attachment 6)

Committee recessed at 2:30 p.m. to attend the Senate Session and convened at 3:00 p.m. after adjournment of the Senate.

Moved by Senator Bruce, seconded by Senator Lee, to adopt the amendment to **SB 265** regarding revisions to cooperative deregulation statute. Motion carried. NO vote recorded for Senator Francisco. (Attachment 7)

Moved by Senator Lee, seconded by Senator Petersen, to adopt the amendment to **SB 265**, Section 6 (c) (Attachment 8) (Note: replaced amendment 265g4 adopted at the previous meeting)

Substitute motion by Senator Francisco, seconded by Senator Lee, to strike the last three words "in the state" from the proposed amendment to **SB 265** Section 6 (c). Motion carried. (Attachment 8)

Moved by Senator Lee, seconded by Senator Brownlee, to adopt the a conceptual amendment to **SB 265**, to incorporate the language from the House of Representatives to allow each megawatt of eligible energy generated in Kansas to count as 1.25 and to allow each megawatt generated in Kansas from equipment manufactured in Kansas to count as 1.5. Motion carried. (Attachment 9)

Senator Francisco offered two amendments.

Moved by Senator Francisco, seconded by Senator Lee, to adopt the amendment 265g2 to **SB 265**. Motion killed. (Attachment 10)

Moved by Senator Francisco, seconded by Senator Brownlee, to adopt the amendment 265g11 to **SB 265**. Motion carried. (Attachment 11)

Senator Francisco submitted language from **SCR 1620** of 2006 to be inserted in the Whereas section of **SB 265** as follows:

"WHEREAS, Kansas and the midwest have tremendous renewable energy resources; and

WHEREAS, Solar and wind energy can be captured on the vast land areas managed by the United States agriculture and technology and production capabilities allow America's farmers and ranchers to play a major role in ensuring a fully sustainable United States energy system; and"

Moved by Senator Francisco, seconded by Senator Lee, to insert the language from **SCR 1620** "Whereas, Kansas and the midwest have tremendous renewable energy resources;" into **SB 265**. Motion carried.

Senator Bruce requested that the staff from the Revisor's Office and Research provide a review of the amendments made to **SB 265**. (Attachment 12)

Moved by Senator Brownlee, seconded by Senator Lee, to allow discretion by the Revisor in preparing the language of **SB 265**. Motion carried.

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Moved by Senator Lee, seconded by Senator Taddiken, to insert the contents of **SB 265** as amended into **HB 2014** after removing the contents of **HB 2014**. Motion carried.

Moved by Senator Lee, seconded by Senator Petersen, to move **Substitute for HB 2014** out favorably as amended. Motion carried NO vote recorded for Senator Francisco.

The next meeting is scheduled for March 3, 2009.

The meeting was adjourned at 4:00 p.m.

Respectfully submitted,

Ann McMorris  
Committee Assistant

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