

MINUTES OF THE SENATE UTILITIES COMMITTEE

The meeting was called to order by Chairman Pat Apple at 1:40 p.m. on March 11, 2009, in Room 545-N of the Capitol.

All members were present except
Sen. Masterson, excused

Committee staff present:

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

Conferees appearing before the Committee:

Ron Gaches, Williams Company
David Springe CURB
George Lippincott, AARP
Tom Thompson, Kansas Chapter of the Sierra Club
Randy Degenhardt, Westar
Scott Jones, Kansas City Power & Light
Nancy Jackson, Climate & Energy

Others attending: See attached list.

Chair called the meeting to order and opened the hearing on:

SB 299 - Regulation for underground hydrocarbon storage wells.

Proponents

Ron Gaches spoke on behalf of the Williams Company in support of **SB 299**. He explained how the proposed change to current Kansas statutes to define “company or operator” as any form of legal entity would be very beneficial to his client in fulfilling its financial surety requirement. Passage of **SB 299** would allow KDHE to accept the master limited partnership’s financial guarantee instead of the costly Letter of Credit. (Attachment 1)

Chair closed the hearing on **SB 299**.

Chair opened the hearing on:

SB 284 - Third party administrator authorized for certain utilities energy efficiency and conservation programs.

Proponents

David Springe, Citizens’ Utility Ratepayer Board, CURB supports **SB 284** as it is a clear statement that the intent of the legislature is to help consumers reduce energy use and reduce energy bills. The bill mandates the creation and funding of an independent entity guided by an independent board with one singular purpose: “To achieve reductions in energy use through increasing the level of cost effective energy efficiency, conservation and education available to Kansas citizens.” (Attachment 2)

George Lippencott, AARP, stated AARP supports **SB 284** which will authorize the Kansas Corporation Commission to establish and oversee an energy efficiency program administered independently from the state’s utilities. He cited other states that have created independent entities with the responsibility of administering ratepayer-funded energy efficiency programs. (Attachment 3)

Tom Thompson, Kansas Chapter of the Sierra Club, stated the Sierra Club supports the concept of having Kansas create a third party entity that is charged with the purpose of reducing energy use. He offered several suggestions for clarification and definition in the language of **SB 284**. (Attachment 4)

Opponents

CONTINUATION SHEET

Minutes of the Senate Utilities Committee at 1:30 p.m. on March 11, 2009, in Room 545-N of the Capitol.

Randy Degenhardt, Director of Energy Efficiency, Westar Energy, testified that Westar Energy is opposed to **SB 284**. Westar believes that utilities can deliver more cost-effective energy efficiency programs than a third party administrator. (Attachment 5)

Scott Jones, Kansas City Power & Light, noted that KCPL has offered customers a portfolio of energy efficiency and conservation programs the past several years. With the proven record of success of these programs, KCPL opposes establishment of a third party administrator. (Attachment 6)

Neutral

Nancy Jackson, Executive Director, CEP (Climate & energy project) cited the advantages and challenges faced by the utilities and a third party, non-profit provider in delivering energy efficiency. CEP encouraged amending **SB 284** if this project is pursued, to require an ongoing competitive bid process to award contracts to provide energy efficiency services. (Attachment 7).

Written testimony only on **SB 284** was provided by Janet Buchanan on behalf of the Kansas Corporation Commission. (Attachment 8)

Due to lack of time, Chair continued the hearing on **SB 284** to the Senate Utilities Committee meeting on Monday, March 16.

He also announced scheduling of an informational hearing on electric rates regarding state fair facilities to be provided by Westar and KCC on Tuesday, March 17.

The next meeting is scheduled for March 12, 2009.

The meeting was adjourned at 2:30 p.m.

Respectfully submitted,

Ann McMorris
Committee Assistant

Attachments - 8