

MINUTES OF THE SENATE UTILITIES COMMITTEE.

The meeting was called to order by Chairperson Senator Stan Clark at 10:45 a.m. on May 1, 2002 in Room 235-N of the Capitol.

All members were present except: Senator Wagle (excused)
Senator Tyson (excused)

Committee staff present: Bruce Kinzie, Revisor of Statutes
Raney Gilliland, Legislative Research
Ann McMorris, Secretary

Conferees appearing before the committee:
Doug Lawrence, Western Resources
J. C. Long, Aquila
Larry Holloway, Kansas Corporation Commission

Others attending: See attached list

Chairman Clark opened the hearing on:

Substitute for HB 3017 - Off-system and wholesale sales by utilities of electricity generated from renewable resources and technologies.

Proponents

Doug Lawrence, Western Resources, urged the passage **Sub. For HB 3017**. By allowing utilities to retain a portion of the net revenue from renewable energy sales the state would be taking a proactive market-based approach that enables and encourages investment in new renewable generation facilities. (Attachment 1)

J. C. Long, Aquila, supports passage of **Sub HB 3017**, which would allow utilities that own or have purchased power contracts for renewable energy to retain a portion of income from wholesale sale of that energy. (Attachment 2)

Bruce Graham of KPECo, provided a written statement. (Attachment 3)

The committee asked many questions regarding profits, rate management, definition of renewable attributes, the effect on the consumer, how other states have addressed this matter and the incentives for building.

Opponents

Larry Holloway, Kansas Corporation Commission, does not support **Sub HB 3017** as it attempts to provide an incentive for renewable energy by allowing an electric utility that purchases renewable energy to resell it when market conditions are favorable and keep a large portion of the profits from that transaction. The Commission opposes this legislation for the following reasons: (1) this bill is unnecessary; (2) this bill is harmful; and (3) there are less costly ways to subsidize renewable energy. The attached testimony details the reasons for the Commission opposing this legislation. (Attachment 4)

Considerable discussion on the points presented in opposition.

Chair closed hearing on **Sub for HB 3017**.

No action taken. The meeting was adjourned.

Respectfully submitted,

Ann McMorris, Secretary

Attachments - 4

