

MINUTES OF THE HOUSE ENERGY AND UTILITIES COMMITTEE

The meeting was called to order by Chairman Carl Holmes at 9:00 A.M. on February 4, 2008 in Room 313-S of the Capitol Building.

All members were present except:

Dan Johnson- excused

Committee staff present:

Mary Galligan, Kansas Legislative Research

Carol Toland, Kansas Legislative Research

Melissa Doeblin, Revisor's Office

Rena Hansen, Committee Administrative Assistant

Conferees appearing before the committee:

Earl Watkins, President & CEO , Sunflower Electric Power Corp

Bill Wehrum, Hunton & Williams, Washington, DC

Brian Moline, Alliance for Sound Energy Policy

Bob Vancrum, Tri-State

Andy Sanchez, AFL-CIO

Others attending:

Seventy Five including the attached list.

Carl Holmes informed the committee about a piece of information prepared by the Kansas Research Department (Attachment 1), that shows current and projected emissions of CO₂ from existing and potential future coal, and natural gas electric generation plants.

Hearing on:

HB 2711-Electric generation, transmission and efficiency and air emissions.

Proponents:

Earl Watkins, President & CEO, Sunflower Electric Power Corporation, (Attachment 2), presented testimony in support of **HB 2711** noting the progressive work that went into making this innovative legislation.

Bill Wehrum, Hunton & Williams, Washington, DC, (Attachment 3), spoke in favor of **HB 2711** noting Kansas Law 65-3012. He talked about the Federal Clean Air Act and how the Kansas legislation relates to the current federal regulations. He noted that section 3012 is modified in **HB 2711** and makes it more parallel to the current Federal rules and regulations of the Clean Air Act. He noted that the Kansas law section 65-3012 is written for emergency situations in the state of Kansas only and not for the examination of new air quality permits.

Brian Moline, Alliance for Sound Energy Policy, (Attachment 4), presented testimony in support of **HB 2711**.

He noted specifically the diversity of members that are involved in the unity of the mission of this organization: organizations that typically do not often fall on the same side of very many issues. The coalition of individuals are most concerned with the denial of a permit based on a regulation that was not in existence, but that someone felt should be there.

Bob Vancrum, Tri-State, (Attachment 5), presented testimony in favor of **HB 2711**. He noted that in reviewing the history of the legislative intent of 65-3012 it was clear that the KDHE did not want the authority to make decisions pertaining to the clean air act but that they did want it to remain congruent to the Clean Air Act of the Federal Government. The legislation was specifically written to give them authority only during emergency situations and to deal with existing plants and not new emitters of air emissions.

Andy Sanchez, AFL-CIO, (Attachment 6), spoke in favor of **HB 2711** noting the number of jobs created by

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the construction of these plants and the number of skilled workers that will enter the market place because of this legislation. They believe that this legislation leads the way in balancing the demand for energy and protecting the environment.

Written Proponents:

Judy Moler, Kansas Association of Counties, (Attachments 7) presented written testimony in support of **HB 2711**.

Questions were asked and comments made by Representatives: Josh Svaty, Bill Light, Tom Sloan, Annie Kuether, Peggy Mast, Tom Moxley, Don Myers, Oletha Faust-Goudeau, and Vaughn Flora.

It was noted that to finance a facility that will serve Kansas customers both plants have to be built. The financing for the first plant would come from Tri-State, Colorado. If only one plant is built the power will go out of state and not to the people of Kansas. Tri-State would fund 20% of the cost of building the Kansas portion of the project amounting to approximately 100 million dollars of the approximately 500 million dollar project. It was noted this project will allow transmission lines to be built that would carry increased production of wind.

Mr. Watkins noted that it would not be their intent to ever write a check to the state of Kansas for the purpose of paying for their inability to reduce carbon emissions. He noted that anytime they can do projects that would offset the carbon emissions that would benefit the people of Kansas they would always choose to use those methods.

Mr. Bill Wehrum noted that due to the Supreme Court ruling, CO₂ would now be considered a pollutant, The EPA is in the process of making a determination on how to define CO₂ as a pollutant. It was noted that there are three paths the EPA could take: 1. Find a definitive way to find the endangerment via CO₂, 2. Look at the facts and conclude that endangerment does not exist, or 3. They could decide not to decide.

A copy of the bill brief was included in the folders (Attachment 8),

The next meeting is scheduled for February 5, 2008.

The meeting was adjourned at 11:03 a.m.