

MINUTES OF THE SENATE UTILITIES COMMITTEE

The meeting was called to order by Vice Chairman Pat Apple at 9:30 A.M. on January 22, 2008 in Room 526-S of the Capitol.

Committee members absent: Senator Emler (excused)

Committee staff present: Raney Gilliland, Kansas Legislative Research Department
Cindy Lash, Kansas Legislative Research Department
Mike Corrigan, Revisor of Statutes
Ann McMorris, Committee Secretary

Conferees appearing before the committee:

Steve Gaw, The Wind Coalition
Mark Lawlor, Horizon Wind
Krista Gordon, Iberdrola Renewable Energies USA
Zeina El-Azzi, Clipper Windpower

Others in attendance: See attached list

Senator Petersen introduced his intern who attends Kansas State University.

Status of Wind Industry in Kansas

Whitney Damron, on behalf of the Wind Coalition, introduced the individuals making the presentations. ([Attachment 1](#))

Steve Gaw, Southwest Power Pool (SPP) representative for The Wind Coalition, provided information on the composition of the Wind Coalition and an industry overview. He noted Kansas is among the top three states in wind energy potential. There is a tremendous economic development opportunity often in areas that are most in need. Wind is a clean energy source and provides a hedge against increasing fuel costs and carbon emission restrictions. The challenge is for Kansas to increase wind energy production. He noted the direct economic impacts to landowners, local property tax revenue, construction and operational phase. Consumers also enjoy benefits from the operation of wind farms. Wind generation with interconnection agreements are under study and require major transmission construction. Mr. Gaw discussed system stability, operating cost impacts, transmission constraints and cost allocation methodology. ([Attachment 2](#))

Mark Lawlor, Horizon Wind Energy, discussed the economics, regulatory and legislative issues of the wind industry. His power point presentation illustrated the economic impacts in Kansas from 1000 MW of new wind development - this discussion covered direct impacts, indirect and induced impacts and totals. Regulatory issues included incentive return to utilities for new renewable energy sources and a return on power purchase agreements (PPA). He discussed efficiency standards for wind facilities and noted the Kansas legislature should adopt measures that promote new wind projects to ensure economic benefits serve Kansas and are not lost to neighboring states. ([Attachment 3](#))

Krista Gordon, Iberdrola Renewable Energies USA, discussed wind development and siting issues. She reviewed the status of permitting in Kansas, existing wind projects, common issues, community wind projects and their key issues and transmission opportunities. ([Attachment 4](#))

Zeina El-Azzi, regional development leader, South Clipper Windpower Development Company, Inc, presented economic development opportunities. She provided an overview of Clipper Windpower and their long term commitment to Kansas. Her presentation included information on (1) potential wind development in the Midwest; (2) Plentiful Wind; (3) Governmental Support for Wind; (4) market uncertainty effect; (5) component suppliers and the supply chain; (6) bringing wind turbine and component manufacturing to Kansas; (7) 20 years of wind technology development; (8) and the wind turbine supply chain. ([Attachment 5](#))

Committee questioned the conferees regarding cost allocation and the KCC ruling. General consensus that Kansas needs more wind development.

Adjournment.

Respectfully submitted,

Ann McMorris, Secretary Attachments - 5