

MINUTES OF THE SENATE UTILITIES COMMITTEE

The meeting was called to order by Chairman Pat Apple at 1:00 p.m. on May 6, 2009, in Room 545-N of the Capitol.

All members were present except
Senator Masterson, excused

Committee staff present:

Mike Corrigan, Office of the Revisor of Statutes
Melissa Doeblin, 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:

Others attending:
See attached list.

Chairperson Apple reviewed the actions that have been taken by the Governor and Sunflower Electric Power Corporation in reaching agreement on a comprehensive energy settlement agreement.

The following information was distributed to the committee:

1. Comprehensive Energy Settlement Bullet Points ([Attachment 1](#))
2. Governor's Press Release of May 4, 2009 ([Attachment 2](#))
3. Settlement Agreement executed May 3, 2009 by Gov. Parkinson & L. Earl Watkins, Sunflower Electric Power Corporation ([Attachment 3](#))
4. Jeff Glendenning, The Kansas Chamber ([Attachment 4](#))
5. Allie Devine, Kansas Livestock Association ([Attachment 5](#))
6. Draft 9rs1138 of **Senate Bill 339** by Committee on Federal & State Affairs ([Attachment 6](#))

Briefing on Comprehensive Energy Settlement Agreement

Sally Howard, chief counsel of the Governor's Office, provided an explanation of the comprehensive energy settlement. Governor Parkinson had contacted the officials of Sunflower Electric Power Corporation to discuss the possibility of moving forward on the Holcomb Power Plant and this agreement was reached.

In response to a question from the Committee, the Governor's Chief Counsel Sally Howard stated that the term "net renewable generation capability" was used in Section 2 of the bill instead of the term "nameplate capacity" in order to use a metric that would be consistent for all types of renewable generation. Ms. Howard said use of this term was not expected to substantially change the amount of renewable generation required under the Act. Mark Calcara, Vice-President and General Counsel for Sunflower Electric Power Corporation, agreed with that assessment of the language.

Earl Watkins, President, Sunflower Electric Power Corporation, provided information on the modifications to Holcomb Unit 1 and the additional conditions placed on Sunflower within two years of commercial operation of Holcomb Unit 2. ([Attachment 7](#))

Cindy Lash, Kansas Legislative Research, had prepared a 13- page comparison of 2009 **Sub. HB 2014, Senate Sub for Sub HB 2014 and SB 339**. Extensive review of the various provisions of these bills was held. ([Attachment 8](#))

The committee recessed at 3:30 p.m. until after adjournment of the Senate session at 4:00 p.m.

On reconvening the Chair opened for discussion and possible action on:

CONTINUATION SHEET

Minutes of the Senate Utilities Committee at 1:00 p.m. on May 6, 2009, in Room 545-N of the Capitol.

SB 339 - Energy conservation and electric generation, transmission, efficiency and air emissions.

Moved by Senator Taddiken, seconded by Senator Petersen, to remove the contents of SB 265 and insert the language from SB 339. Motion carried.

Moved by Senator Lee, seconded by Senator Petersen, to make technical corrections in SB 265 by inserting the correct name of Sunflower Electric Power Corporation and clarifying the definition of hydropower in the RPS to ensure that it covered KEPCO. Motion carried.

Moved by Senator Petersen, seconded by Senator Taddiken, in SB 265 delete the word “located” on page 1, New Sec. 2 c which would read “renewable energy resource located over a four-hour...” Motion carried

Moved by Senator Lee, seconded by Senator Reitz, in SB 265 on page 6 first paragraph delete the language “including impacts associated with the gathering of generation feedstocks.” and change the comma to a period after the word “impacts.” Motion carried.

Moved by Senator Francisco, seconded by Senator Reitz, in SB 265 amend the statutes regarding electric cooperatives to clarify that all cooperatives are subject to the RPS. Motion carried.

Moved by Senator Francisco, seconded by Senator McGinn, in SB 265 in the definition of renewable resources to change the language “clean and untreated wood, such as pallets” to ‘clean & untreated wood products such as pallets’. Motion carried

Moved by Senator Petersen, seconded by Senator Emler, in SB 265 length of time for adoption of rules and regulations to be changed from 6 to 12 months and those of 18 months remain same. Motion carried.

Moved by Senator Emler, seconded by Senator Reitz, contents of HB 2369 be removed and contents of SB 265 with amendments be inserted into Senate Substitute for HB 2369. Motion carried.

Moved by Senator Lee, seconded by Senator Petersen, Senate Substitute for HB 2369 be moved out favorably as amended. Motion carried. NO vote recorded for Sen. Francisco.

The meeting was adjourned at 5:30 p.m.

Respectfully submitted,

Ann McMorris
Committee Assistant

Attachments - 8