Approved: February 16, 2016

MINUTES OF THE SENATE NATURAL RESOURCES COMMITTEE

The meeting was called to order by Chairperson Larry Powell at 3:30pm on Monday, February 08, 2016, 346-S of the Capitol.

All members were present except:

Senator Michael O'Donnell – Excused Senator Carolyn McGinn – Excused Senator Greg Smith – Excused Senator Caryn Tyson – Excused

Committee staff present:

Tamera Lawrence, Office of Revisor of Statutes Heather O'Hara, Legislative Research Department Toni Beck, Kansas Legislative Committee Assistant Raney Gilliland, Legislative Research Department

Conferees appearing before the Committee:

Representative Bud Estes, District 119.

Others in attendance:

No list available

Joint Committee

The Joint Committee of the House Natural Resources and Agriculture, and Senate Natural Resources and Agriculture was presented a <u>Proposal to Reduce Water Usage for Irrigation in Kansas by Developing Renewable Energy</u> by Representative Bud Estes.

It was established that 85% of the water used in Kansas is for irrigation. While the, <u>Governor's Vision</u> <u>for the Future of Water Supply in Kansas</u> stopped short of recommending reductions to existing water rights, future mandates could do so, and such reductions would be devastating to the farming economy. This proposal is intended to explore a renewable energy development possibility for individual farmers who choose to voluntarily reduce their irrigation water consumption by 25% from current levels.

The lost revenues and increased cost associated with the reduced use of water would be replaced with development of wind energy or solar energy resources. The renewable energy facilities would be serving the energy requirements of the farming operation. This proposal would require the cooperation of the rural electric companies with change to some existing rules and regulations pertaining to how electricity is generated and delivered. Outside-of-the-box thinking is important for renewable energy sources in Kansas. The renewable energy facilities would need to maintain the existing 30% investment tax credit. Financing and ownership structures that qualify for production tax credits could also be considered.

CONTINUATION SHEET

MINUTES of the Committee on Natural Resources at 3:30pm on Monday, February 08, 2016 in Room 346-S of the Capitol.

Kansas electric cooperatives are dedicated to preserving the values of our rural way of life. Policy changes will be needed to accommodate delivery of the renewable energy created by the participating farmers and to allow the energy not used by the farmers to be used by the distribution cooperatives. (Attachment 1)

The Chairman adjourned the meeting at 4:30pm.

The next scheduled meeting will be Wednesday, February 10.