

MINUTES OF THE SENATE UTILITIES COMMITTEE

The meeting was called to order by Chairperson Robert Olson at 1:34pm on Thursday, March 12, 2015, 548-S of the Capitol.

All members were present except:

Senator Julia Lynn – Excused

Committee staff present:

Heather O'Hara, Legislative Research Department

Natalie Nelson, Legislative Research Department

Michael Welton, Kansas Legislative Committee Assistant

Matt Sterling, Office of Revisor of Statutes

Conferees appearing before the Committee:

There were no conferees.

Others in attendance:

[See Attached List](#)

Senator Olson welcomed attendees and opened the meeting.

Possible action on bills previously heard

Senator Olson re-opened the suspended hearing for **SB 253 - Renewable energy standards act sunset.**

In response to questions and comments from Senators Francisco, Hawk, Petersen, Powell and Knox the opponent presenters made the following points:

- 1.) It was established that in order to count building block #3 that an enforceability clause would most likely be necessary.
- 2.) The results of the Utah State University study were refuted on the basis of its reliance on national data points versus data specific to Kansas. The study's assumption regarding job loss was also questioned. It remained unclear if the study took into account possible impacts of involvement by the Southwest Power Pool (SPP).
- 3.) The very competitive price point of Kansas wind energy was attributed to both a superior wind product and technological innovation. While excellent product attracted Kansas based investment resources, the advent of the RPS mandate and subsidies opened up Kansas for more international investments.
- 4.) Committee discussion took place regarding how much the cost of developing transmission capacity cost the ratepayers. One perspective claimed that costs were passed on to ratepayers, while another asserted that these cost were a component of the cost of a commodity.
- 5.) Discussion regarding the so-called "May, 2011 Flint Hills Agreement" remained unresolved as to

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the actual parties of the informal agreement.

6.) A question was raised as to whether or not the federal government permitted wind energy development on federal lands remained unanswered.

7.) It was established that pressures resulting from federal requirements to balance energy sources was greatly relieved by the involvement of the (SPP).

Senator Olson thanked everyone that contributed to the three day hearing. He concluded by commending the wind energy industry for meeting the 20% RPS mandate. He asserted that in his opinion that "wind energy is here to stay and the time has come to work together to provide an environment of regulatory certainty for everyone."

Due to time constraints Senator Olson closed the three day hearing on the bill.

Senator Olson opened discussion on **SB 246 - Exempting certain state leases from energy audit requirements when such energy audit is not economically feasible.**

Sen Francisco offered and explained a balloon amendment ([Attachment #1](#)) . A discussion ensued with several suggested changes by the committee accepted by the senator.

Senator Knox motioned to accept the balloon amendment with suggested changes and Senator Petersen seconded the motion. The motion passed.

Senator Francisco motioned to pass favorably the bill as amended and was seconded by Senator Wilborn. The motion passed.

Senator Olson opened discussion on **HB 2231 - Eliminating the annual licensing fee for any gas well used to strictly heat a dwelling or other structure.**

Senator Olson explained his desire to add the contents of **SB 91** into **HB 2231**.

Knox suggested an additional change to the bill language to specifically allow "personal use" of a well ([Attachment #2](#)).

Discussion ensued regarding personal/commercial property use, ownership, multiple wells and safety concerns as per testimony provided by the Kansas Corporation Commission (KCC).

*Senator Knox motioned to amend **HB 2231** by adding the contents of **SB 91** into the bill and also add his amendment to allow "personal use". Senator Wilborn provided a second. The motion passed.*

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Senator Francisco requested that her nay vote be recorded.

Senator Knox moved to pass favorably the bill as amended and was seconded by Senator Wilborn. The motion passed.

Seeing no further questions or comments, Senator Olson closed the discussion on **HB 2231**.

Seeing no further questions or comments Senator Olson adjourned the meeting at 2:30 pm. The next meeting has not been called.