

HOUSE BILL No. 2244

By Committee on Utilities

1-31

AN ACT concerning energy resources; enacting the state energy resources coordination act; establishing the Kansas energy resources coordinating council; providing for certain assessments to fund the council; providing for a comprehensive state plan for the management, conservation and development of energy resources.

Be it enacted by the Legislature of the State of Kansas:

Section 1. This act may be cited as the state energy resources coordination act.

Sec. 2. It is the policy of the state of Kansas to have a state energy resources plan for coordination of the management, conservation and development of energy resources that, to the extent practicable, maximizes environmental quality and energy conservation and minimizes cost of energy throughout the state. The long-range goals and objectives of the state in implementing this policy are hereby declared to be to coordinate the development of policies and programs of state agencies and private entities related to:

(a) Developing a sufficient supply of energy to meet the anticipated future needs of the people of the state;

(b) ensuring sound management, both public and private, of energy resources;

(c) preventing waste of energy resources;

(d) protecting the environmental quality of the soil, air and water of the state;

(e) distributing energy resources efficiently and economically;

(f) coordinating the development of energy resources with the development of other resources;

(g) protecting the public interest through the conservation of energy resources in a technologically and economically feasible manner;

(h) ensuring access to energy supplies at the lowest practical environmental and economic cost;

(i) ensuring long-term access to adequate, reliable energy supplies;

(j) ensuring that demand-side options are pursued whenever economically and environmentally practical;

(k) encouraging development and use of indigenous, renewable en-

1 ergy resources;

2 (l) ensuring that the basic energy needs of all citizens, including low
3 income citizens, are met;

4 (m) minimizing energy vulnerability to international events;

5 (n) ensuring that energy-related decisions promote the economic and
6 environmental well-being of the state and maximize the ability of the state
7 to attract retirees, tourists and industrial and service-related jobs;

8 (o) ensuring that short-term energy decisions do not conflict with
9 long-range energy needs;

10 (p) ensuring that internal governmental energy use patterns are con-
11 sistent with the state's long-range interests;

12 (q) ensuring that state government is organized appropriately to han-
13 dle energy matters in the best public interest; and

14 (r) ensuring that governmental energy-related tax, expenditure and
15 regulatory policies are appropriate and, wherever possible, maximize the
16 long-range benefits of competition.

17 Sec. 3. (a) There is hereby established, the Kansas energy resources
18 coordinating council. The council shall be composed of:

19 (1) The following members appointed by the governor: (A) An energy
20 economist on the faculty of a state educational institution under the su-
21 pervision of the state board of regents; (B) a representative of oil pro-
22 ducers; (C) a representative of natural gas producers; (D) a representative
23 of generators of electricity from nonrenewable energy resources; (E) a
24 representative of generators of electricity from renewable energy re-
25 sources; and (F) three energy consumers;

26 (2) the chairperson, vice-chairperson and ranking minority member
27 of the house and senate standing committees on utilities;

28 (3) the secretary of commerce and housing or the secretary's
29 designee;

30 (4) the secretary of administration or the secretary's designee;

31 (5) the state geologist or the state geologist's designee;

32 (6) the chairperson of the state corporation commission or the chair-
33 person's designee; and

34 (7) the consumer counsel of the citizens' utility ratepayer board or
35 the consumer counsel's designee.

36 (b) Of the members of the council first appointed by the governor,
37 the governor shall designate four to serve terms of four years and four to
38 serve terms of two years. Thereafter, such members shall serve for terms
39 of four years. Any vacancy in the term of a member appointed by the
40 governor shall be filled for the remainder of the unexpired term by the
41 governor's appointment of a person with the same qualifications. Mem-
42 bers of the council designated in subsections (a)(3) through (a)(7) shall
43 serve *ex officio*.

1 (c) In odd-numbered years the chairperson of the house standing
2 committee on utilities shall be the chairperson of the council and the
3 chairperson of the senate standing committee on utilities shall be vice-
4 chairperson of the council. In even-numbered years the chairperson of
5 the council shall be the chairperson of the senate standing committee on
6 utilities and the chairperson of the house standing committee on utilities
7 shall be the vice-chairperson of the council.

8 (d) Members of the council specified in subsections (a)(1) and (a)(2)
9 shall receive compensation, subsistence allowances, mileage and other
10 expenses as provided in K.S.A. 75-3223, and amendments thereto.

11 (e) The council shall hold regular meetings, not less than one in each
12 calendar quarter year, and it may hold such other meetings as in its judg-
13 ment may be necessary for the performance of its duties. The council
14 may hold its meetings, regular and otherwise, at such times and at such
15 places within the state as the council determines appropriate.

16 (f) Within the limits of appropriations therefor, the council may em-
17 ploy such staff as the council deems necessary to carry out the council's
18 duties. The state corporation commission shall provide such technical and
19 clerical staff assistance as may be requested by the council in the admin-
20 istration of the provisions of this act.

21 (g) The staff of the office of revisor of statutes, the legislative research
22 department and the division of legislative administrative services shall
23 provide such assistance as may be requested by the legislator members
24 of the council in carrying out their duties as members of the council.

25 (h) All budgeting, purchasing and related management functions of
26 the council shall be administered under the direction and supervision of
27 the council. All vouchers for expenditures from appropriations made for
28 the use of the council shall be approved by the chairperson of the council
29 or by a person or persons designated by the council for such purpose.

30 (i) The council may appoint citizens' advisory committees to study
31 and advise on any subjects upon which the council is required or author-
32 ized by this act to study or make recommendations.

33 (j) The provisions of the Kansas governmental operations accounta-
34 bility law apply to the council, and the council is subject to audit, review
35 and evaluation under such law.

36 Sec. 4. (a) The Kansas energy resources coordinating council shall
37 determine within 15 days after each quarter-year for each such quarter-
38 year, the total amount of expenditures for the operation of the council
39 during such period of time. The total amount shall include the compen-
40 sation and expenses of members and employees and all other lawful ex-
41 penditures of the council. To such amount, the council shall add such
42 amount as in its judgment may be required to satisfy any deficiency in
43 the prior assessment period's assessment and to provide for anticipated

1 increases in necessary expenditures for the current assessment period.

2 (b) The council shall certify to the state corporation commission the
3 amount determined under subsection (a) and, except as provided by sub-
4 section (e), such amount shall be assessed by the commission against all
5 electric and natural gas public utilities subject to the jurisdiction of the
6 commission. The assessment shall not exceed, during any fiscal year, the
7 greater of \$100 or 0.1% of the respective utility's or cooperative's gross
8 operating revenues derived from intrastate operation as reflected in the
9 last annual report filed with the commission pursuant to K.S.A. 66-123,
10 and amendments thereto, prior to the beginning of the commission's fis-
11 cal year or made available to the commission upon request. Such assess-
12 ment shall be paid to the commission within 15 days after the notice of
13 assessment has been mailed to the utility or cooperative, which notice of
14 assessment shall constitute demand of payment thereof.

15 (c) The state corporation commission shall remit to the state treasurer
16 all moneys received by or for the commission from the assessment im-
17 posed under this section. Upon receipt of the remittance, the state trea-
18 surer shall deposit the entire amount in the state treasury and credit it to
19 the energy resources coordinating fund, established by section 5, and
20 amendments thereto.

21 (d) The assessment provided for by this section shall be collected,
22 and objections to such assessment may be made, in the same manner as
23 provided by K.S.A. 66-1504 through 66-1509, and amendments thereto,
24 for assessments by the state corporation commission pursuant to K.S.A.
25 66-1503, and amendments thereto.

26 (e) The assessments provided for by this section shall not apply to
27 public utilities which are under the jurisdiction of the commission solely
28 in connection with the administration of the Kansas securities act or the
29 oil proration or oil and gas conservation acts.

30 Sec. 5. (a) There is hereby established in the state treasury the en-
31 ergy resources coordination fund. The fund shall consist of:

32 (1) Moneys credited to the fund pursuant to section 4, and amend-
33 ments thereto;

34 (2) interest credited to the fund pursuant to subsection (c); and

35 (3) any amounts appropriated, contributed or otherwise made avail-
36 able for the purposes of the fund.

37 (b) Moneys in the energy resources coordination fund shall be ex-
38 pended only for the purpose of paying the expenses of operation of the
39 Kansas energy resources coordinating council and other lawful expendi-
40 tures of the council.

41 (c) On or before the 10th of each month, the director of accounts
42 and reports shall transfer from the state general fund to the energy re-
43 sources coordination fund interest earnings based on:

1 (1) The average daily balance of moneys in the energy resources co-
2 ordination fund for the preceding month; and

3 (2) the net earnings rate for the pooled money investment portfolio
4 for the preceding month.

5 (d) All expenditures from the energy resources coordination fund
6 shall be made in accordance with appropriation acts upon warrants of the
7 director of accounts and reports issued pursuant to vouchers approved
8 by the chairperson of the Kansas energy resources coordinating council,
9 or a person designated by the chairperson, for the purposes set forth in
10 this section.

11 Sec. 6. (a) The Kansas energy resources coordinating council shall:

12 (1) Formulate a comprehensive state plan for coordination of the
13 management, conservation and development of energy resources as pro-
14 vided by sections 7 through 9, and amendments thereto;

15 (2) consult with and be advisory to the governor and the legislature;

16 (3) make a study of the laws of this state, other states and the federal
17 government relating to conservation and development of energy
18 resources;

19 (4) collect and compile information pertaining to the use of energy
20 in the state and the availability of energy supplies in the state and collect
21 and compile any such information obtainable from other agencies and
22 instrumentalities of the state, political subdivisions of the state and the
23 federal government;

24 (5) establish guidelines as to when an energy resources emergency
25 exists in the state and, when the council determines that such emergency
26 exists, recommend that the governor proclaim an energy resources emer-
27 gency exists and assemble an energy resources emergency response team;

28 (6) make recommendations to other state agencies and political sub-
29 divisions of the state for the coordination of their activities relating con-
30 servation and development of energy resources;

31 (7) make recommendations to each regular session of the legislature
32 and to the governor at such times as the council considers advisable con-
33 cerning necessary or advisable legislation relating to coordination of the
34 management, conservation and development of energy resources; and

35 (8) upon request of the governor or legislature, review, evaluate and
36 make recommendations regarding any state agency's budget estimate per-
37 taining to energy resources and any plans or programs related thereto.

38 (b) The Kansas energy resources coordinating council may:

39 (1) Seek and accept grants and other financial assistance that the fed-
40 eral government and other public or private sources make available and
41 utilize the same for any purpose which the council is required or author-
42 ized to study or concerning which the council required or authorized to
43 make recommendations; and

1 (2) contract with public agencies or with qualified private persons or
2 agencies to accomplish any purpose which the council is required or au-
3 thorized to study or concerning which the council required or authorized
4 to make recommendations.

5 Sec. 7. (a) In accordance with the policy and long-range goals and
6 objectives established by the legislature, the Kansas energy resources co-
7 ordinating council shall formulate on a continuing basis a comprehensive
8 state plan for coordination of the management, conservation and devel-
9 opment of energy resources. Such state plan shall include sections cor-
10 responding with energy resources coordination areas as determined by
11 the council. The council shall seek advice from the general public and
12 from committees consisting of individuals with knowledge of and interest
13 in energy resource coordination issues. The plan shall set forth the rec-
14 ommendations of the council for coordination of the management, con-
15 servation and development of energy resources necessary or desirable in
16 the judgment of the council to accomplish such policy, goals and objec-
17 tives. The plan shall be formulated and used for the general purpose of
18 accomplishing the coordinated management, conservation and develop-
19 ment of energy resources. The state corporation commission, state geo-
20 logical survey, department of commerce and housing, department of ad-
21 ministration and all other interested state agencies shall cooperate with
22 the council in formulation of such plan.

23 (b) In developing the state plan for coordination of management, con-
24 servation and development of energy resources, the council shall coop-
25 erate with any agency or instrumentality of the state or federal govern-
26 ment now or hereafter engaged in the development of or having
27 developed any plan of energy resources management, conservation and
28 development for the state.

29 Sec. 8. The Kansas energy resources coordinating council annually
30 shall submit to the legislature and to the governor an updated state plan
31 for coordination of the management, conservation and development of
32 energy resources. The updated plan shall contain any recommendations
33 which the council deems necessary to achieve the long-range goals and
34 objectives for coordination of the management, conservation and devel-
35 opment of the energy resources as set forth in section 2, and amendments
36 thereto.

37 Sec. 9. In formulating the state energy resources plan the Kansas
38 energy resources coordinating council shall consider:

39 (a) Management, conservation and development of energy resources
40 for the benefit of the state as a whole;

41 (b) energy development policies consistent, whenever possible, with
42 the beneficial development of other natural resources;

43 (c) the public health and general welfare of the people of the state;

1 (d) any alternative plans, programs and projects in the interest of
2 effective energy resource management, conservation and development;

3 (e) the maintenance, preservation and protection of the sovereignty
4 of the state over all the energy resources within the state;

5 (f) plans, projects and recommendations of public corporations, the
6 federal government and state agencies prepared pursuant to statutory
7 authority;

8 (g) plans, recommendations and projects of private associations or
9 organizations as they relate to energy resources; and

10 (h) such other matters as the council deems proper or desirable.

11 Sec. 10. The state corporation commission, the state geological sur-
12 vey, the department of commerce and housing, the department of ad-
13 ministration and all other state and local agencies shall cooperate with
14 and shall make available to the Kansas energy resources coordinating
15 council all facts, records, information and data requested by the council
16 and shall in all ways cooperate with the council in carrying out the duties
17 imposed by this act.

18 Sec. 11. This act shall be construed liberally to effectuate the pur-
19 poses hereof, and the enumeration of specific powers in this act shall not
20 operate to restrict the meaning of any general grant of power contained
21 in this act or to exclude other powers comprehended in such general
22 grant.

23 Sec. 12. If any provisions of this act or its application to any person
24 or circumstances is held invalid, the invalidity does not affect other pro-
25 visions or applications of the act that can be given effect without the
26 invalid provisions or application. To this end the provisions of this act are
27 severable.

28 Sec. 13. This act shall take effect and be in force from and after its
29 publication in the statute book.

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