As Amended by House Committee

Session of 2008

House Concurrent Resolution No. 5038

By Representative Myers

3-14

A CONCURRENT RESOLUTION establishing a Kansas **electric** energy plan.

WHEREAS, Energy plays a vital role in the Kansas economy; **and the lives of all Kansans** and

WHEREAS, Kansas needs an energy plan for the state to develop a balanced energy approach, a plan which allows for continued development of all energy sources but is not driven by special interests or energy crises; and

WHEREAS, According to data published by the Energy Information Administration, the state's total supply of electricity is nearly equal to the state's usage; and

WHEREAS, The State Corporation Commission reports in testimony on February 20, 2008, that due to the aging of much of the base power supply generation, it will be necessary to replace much of that generation within the next 20 years; and

WHEREAS, A state **electric** energy plan should provide a framework for future legislative action to move the state toward electric energy affordability, sustainability and independence: Now, therefore,

Be it resolved by the House of Representatives of the State of Kansas, the Senate concurring therein: That the Legislature hereby establish the Kansas **electric** energy plan; and

Be it further resolved: That the following terms have the meanings provided below for purposes of the Kansas **electric** energy plan:

(a) "Base-load generation" means dispatchable electric generation which is expected to be operated at a capacity factor greater than 45%, based on variable fuel costs. Base-load generation includes coal-fired steam, nuclear and hydropower generation.

(b) "Capacity factor" means the amount of energy produced by a generator in a year divided by the product of the nameplate capacity rating of the generator times the number of hours in a year.

(c) "Dispatchable electric generation capacity" means the amount of generation capacity that a utility can expect from a generating unit anytime the unit is 100% available.

~~(e)~~ **(d)** "Intermediate-load generation" means dispatchable electric generation which is expected to be operated at a capacity factor between 30% and 45%, based on variable fuel costs. Intermediate-load generation includes gas-fired combined cycle generation.

~~(d)~~ **(e)** "Intermittent-load generation" means electric generation which has very low variable fuel costs and which cannot be dispatched because the output is controlled by the natural variability of the energy resource. Intermittent-load generation includes wind and solar energy generation.

~~(e)~~ **(f)** "Nameplate capacity" means the rating in megawatts of an electric generator at 100% design conditions.

~~(f)~~ **(g)** "Peak-load generation" means dispatchable electric generation which is expected to be operated at a capacity factor less than 30%, based on variable fuel costs. Peak-load generation includes combustion turbine, internal combustion engine and gas-fired steam generation; and

Be it further resolved: That the Legislature adopt the following policies as the foundation of the state **electric** energy plan:

(a) Encouragement of continued development of alternative and renewable energy;

(b) enactment of legislation implementing policies which will increase the electric transmission infrastructure of the state;

(c) repeal of laws and public policies that restrict development of **safe and cost-effective** domestic energy supplies, including, but not limited to, nuclear power generation and domestic fossil fuel reserves;

(d) support for the southwest power pool and the Kansas electric transmission authority in acquiring adequate transmission for electric generation needs of the state;

(e) recognition that the age of the current electric generation capacity will require **some of** it to be replaced within the next 20 years; ~~and~~

(f) promotion of **applicable and appropriate** market driven solutions to electric generation needs of the state; and

(g) promotion of policies encouraging consumer and corporate energy efficiency, including such policies as are applicable to companies in the business of power generation, transmission and distribution toward an end of reducing state energy needs and state load growth; and

Be it further resolved: That the State Corporation Commission be requested to submit annually a written report to the senate committee on utilities and the house committee on energy and utilities, or their successors, on or before the beginning of the regular session of the Legislature beginning in 2009**, and each ensuing year thereafter,** on recommendations for legislative changes needed to facilitate the state **electric** energy plan, the development of clean burning coal technology ~~and~~**,**

the progress of nuclear power generation in the country and state in particular **and other advancements in the science of base-load generation**; and

Be it further resolved: That the Legislature adopt the following for purposes of planning for future growth in demand for electricity:

(a) For the year 2006, capacity available in this state from base-load generation was ~~43,584 gigawatt hours~~ **approximately 6,700 megawatts**.

(b) The total ~~additional~~ base-load generation capacity that will be needed in this state by the year 2028 is projected to be ~~59,000 gigawatt hours~~ **approximately 7,600 megawatts. This means additional base-load generation capacity of approximately 900 megawatts will be needed, in addition to base-load capacity necessary to replace any of the current aging base-load generation fleet**.

(c) The projected increase in demand for electricity over the next 20 years will require the phase in of the following increases in electric generation ~~capacity~~ in this state:

(1) For the years 2007 through 2015, based on a historical annual growth rate of 1.3% per year, 4,416 gigawatt hours.

(2) Based on a projected annual growth rate of 1.6%:

(A) For the years 2016 through 2020, 4,000 gigawatt hours.

(B) For the years 2021 through 2025, 4,500 gigawatt hours.

(C) For the years 2026 through 2028, 2,500 gigawatt hours.

(d) The state, in accordance with the policies expressed in ~~section 3, and amendments thereto~~ **this resolution**, shall take such actions as necessary to encourage the development of electric generation capacity in this state to meet increases in demand for electricity over the next 20 years; and

Be it further resolved: That the Legislature adopt the following for purposes of planning for future fuel needs for electric generation:

(a) ~~The present fuel mix for base-load generation in this state is~~ **In 2006, the approximate fuel mix for electric generation in this state was** coal, 73%; nuclear, 21%; ~~and~~ natural gas, 4%**; and wind, 2%**.

~~(b) The state, in accordance with the policies expressed in section 3, and amendments thereto, shall take such actions as necessary to encourage the following fuel mixes to be the source of base-load electric generation in this state:~~

~~(1) By the year 2020, coal, 70%; nuclear, 25%; and natural gas, 5%.~~

~~(2) By the year 2025, coal, 65%; nuclear, 30%; and natural gas, 5%.~~

~~(3) By the year 2028, coal, 60%; nuclear, 35%; and natural gas, 5%.~~

(b) In accordance with the policies expressed in this resolution, and in addition to any electric generation provided by intermittent-load generation, the state shall take such actions as necessary

to encourage suitably determined future fuel mixes of dispatchable electric generation in this state.