

CONTINUATION SHEET

MINUTES OF THE SENATE UTILITIES COMMITTEE at 9:40 a.m. on March 22, 2001 in Room 231-N of the Capitol.

Approval of Minutes

Moved by Senator Brownlee, seconded by Senator Emler, the minutes of the Senate Utilities meeting held on March 21, 2001 be approved. Motion carried.

Chairman thanked the committee for their work and indicated this was the last meeting for this committee in the 2001 session.

Adjournment.

Respectfully submitted,

Ann McMorris, Secretary

Attachments - 3

SENATE UTILITIES COMMITTEE GUEST LIST

DATE: MARCH 22, 2001

Name	Representing
Bruce Graham	KCPG
Joe Dush	KCKBPY
Lee [unclear]	KUGRC
Scott Anglemyer	KDOCH
Bruce Sneed	City of Mansfield
John C. Bottenberg	West, Res.
Denny Koch	PNM
Bob Kneibiel	KLOGA
Don Gables	ESBA
Jim [unclear]	KCC
Quint [unclear]	KCC
Jack Slaves	Duke-P-H-R-M [unclear]

**Utilities Committee
Kansas Senate
Written Testimony of Bruce Snead, City Commissioner and Mayor Pro-tem
City of Manhattan, KS
March 22, 2001**

In Opposition to SR 1828

Our city has as one of its legislative goals this year to support the development of an energy policy and plan of action for Kansas. This goal cannot be achieved without significant legislation passed by this committee. In my last appearance before you I indicated support for sub HB2244 and I also support the senate substitute brought forward from the governor's office. While the work proposed in SR 1828 is an important part of making progress on energy planning, it falls far short of what is needed. I am opposed to SR 1828 because it is duplicative of Senate Sub for substitute for HB 2244, and does not adequately address the process and implementation issues necessary for progress on energy policy and planning in the state.

SR 1828 does not provide for the cooperation or input (other than the nine open appointees of the governor) of anyone, state agencies or other interested parties, in the development of a plan, and would not likely receive the consideration or achieve a level of support which would come from the process and involvement conceived in sub 2244. The excellent resources available at University of Kansas' Energy Research Center, the Kansas geological survey, and much more would be available to the work of the energy resources coordinating council envisioned by the versions of 2244.

I recognize the challenge of working out the participation and representation from all the interested parties, and on the council proposed by sub 2244, but I believe that can be thrashed out in conference, (if passed by the committee and full senate)

Stan Clark

From: "Joe King" <jeking@idir.net>
To: <clark@senate.state.ks.us>
Sent: Wednesday, March 21, 2001 8:37
Subject: SR 1828
Dear Senator Clark:

Thank you for the recent opportunity to appear before the Senate Utilities Committee.

I would like to express concern regarding Lee Gehrhard's press to get the Energy Research Center at the Kansas Geological Survey placed in charge of Kansas Energy Policy development. The Survey has long been an effective technical resource for Kansas oil producers and a strong advocate of their public policy interests, but this dedication has shrouded them with a narrow view of energy issues. I have participated in two "focus groups" on energy policy with Lee in the past year and he has made it very clear that: a) he believes the future for Kansas is in supporting old oil at all cost, 2) he cares little for energy efficiency, and 3) he stated this month that "I just don't think renewables can make much of a contribution." Placing the development of Kansas energy policy in the hands of the consultants to an industry in severe decline would not be in the broad interest of all Kansans. We need a broader vision of the future.

Sincerely,

Joe King

Senate Utilities Committee
March 22, 2001
Attachment 2-1

3/21/01

SENATE Substitute for Substitute for HOUSE BILL NO. 2244

By Committee on Utilities

AN ACT concerning energy resources; establishing an energy policy division of the state corporation commission and the position of director thereof; prescribing the duties thereof; creating an energy advisory council; amending K.S.A. 2000 Supp. 74-616 and repealing the existing section; also repealing K.S.A. 55-153.

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

Section 1. K.S.A. 2000 Supp. 74-616 is hereby amended to read as follows: 74-616. (a) There is hereby established the energy policy division of the state corporation commission. The director of the division shall be appointed by the governor and shall be in the unclassified service under the Kansas civil service act. The director shall receive, within the limitations of appropriations therefor, compensation fixed by the governor. Within the limitations of appropriations therefor, the director may employ such staff as necessary to carry out the duties of the director and the division and shall have supervision of the program manager for federal energy conservation programs in the state and all other employees of the division.

(b) In addition to other powers and duties provided by law, ~~in-administering-the-provisions-of-this-act-the-state-corporation commission~~ the director of the energy policy division shall:

~~(a)--Adopt---rules---and---regulations---necessary---for---the administration-of-this-act;~~

~~(b)--develop-a-comprehensive-state-energy--conservation--plan and-the-procedures-for-implementing-the-plan-according-to-federal requirements;~~

~~(c)--make--requests-for-and-accept-funds-and-other-assistance from--federal--agencies--for--energy---conservation---and---other energy-related--activities--in--this--state;--including;--but-not limited-to;--the-state-energy--conservation--program;--the--energy extension---service---program---and--the--institutional--building conservation-program;~~

~~(d)--administer-federal-energy-conservation-programs-in--this state;~~

~~(e) collect and compile necessary data on energy resources and monitor energy resources supplies in this state;~~

~~(f) prepare an energy resources emergency management plan for adoption during any energy resources emergency proclaimed to exist by the governor under K.S.A. 74-619 and amendments thereto, which plan shall include the system of priorities for energy resources allocation and curtailment of energy resources consumption established under K.S.A. 74-620 and amendments thereto;~~

(g) (1) Identify interested parties with whom the director shall consult on a regular basis regarding: (A) Development and updating of the plan and policies provided for by subsection (b)(3); and (B) other energy policy and coordination issues;

(2) collect and compile necessary data and other information relating to current and projected availability of energy resources and supplies and current and projected energy consumption and use such information in development and updating of the plan and policies provided for by subsection (b)(3);

(3) with the input of the energy policy advisory council and in consultation with interested parties identified pursuant to subsection (b)(1), develop and submit to the governor, for the governor's approval, a comprehensive state energy plan and policies regarding energy resource development initiatives and energy conservation and management and periodic updates of such plan and policies;

(4) with the input of the energy policy advisory council, develop and submit to the governor, for the governor's approval, strategies for implementation of the plan and policies, and updates thereof, provided for by subsection (b)(3);

(5) upon approval by the legislature as provided by subsection (c), implement the plan and policies, and updates thereof, provided for by subsection (b)(3) in accordance with the strategies provided for by subsection (b)(4);

(6) with the input of the energy policy advisory council, develop and submit to the governor, for the governor's approval,

guidelines, and periodic updates thereof, for: (A) Determination of when an energy resources emergency exists within the state; (B) issuance of an energy resources emergency proclamation pursuant to K.S.A. 74-619, and amendments thereto; and (C) managing an energy resources emergency;

(7) request and accept funds and other assistance from agencies of the federal government, or from any other source, for purposes of energy resource development, energy conservation or other energy related activities in the state, including, but not limited to, the state energy conservation program and institutional building conservation program;

(8) administer federal energy conservation programs in the state;

(9) cooperate in the implementation of any emergency energy rationing program which may be imposed by the federal government or any agency thereof;

~~(h) --prepare--and--have--available--for--public--inspection--an--annual--report--which--describes--the--energy--resources--emergency--management--program;--and~~

~~(i)~~ (10) adopt rules and regulations necessary for the administration of this act; and

(11) with the approval of the governor and the chairperson of the state corporation commission, make and enter into all contracts and agreements and--do--all--other--acts--and--things necessary--or--incidental--to--the--performance--of--functions--and--duties--and--the--execution--of--powers--under--this--act related to the required functions of the energy policy division.

(c) Upon the governor's approval of the plan and policies, or updates thereof, provided for by subsection (b)(3) and the strategies for implementation provided for by subsection (b)(4), the governor shall submit to the legislature, on or before the first day of the next regular legislative session, such plan, policies and strategies, or updates thereof. No such plan, policy, strategy or update shall take effect until approved by the legislature by concurrent resolution.

New Sec. 2. (a) There is hereby created within the energy policy division of the state corporation commission the state energy policy advisory council.

(b) The energy policy advisory council shall be composed of:

(1) The following voting members appointed by the governor:

(A) An energy economist on the faculty of a state educational institution under the supervision of the state board of regents or on the faculty of a municipal university in this state; (B) a representative of oil producers in the state; (C) a representative of natural gas producers in the state; (D) a representative of investor-owned generators of electricity in the state; (E) a representative of rural electric cooperatives in the state; (F) a representative of municipally-owned or operated electric utilities in the state; (G) a representative of generators in the state which generate electricity from renewable energy resources; (H) one representative of large individual or commercial energy consumers; (I) one representative of small industrial or commercial energy consumers; and (J) one representative of residential energy consumers;

(2) the following nonvoting members ex officio, or their designees: (A) The secretary of commerce and housing; (B) the secretary of administration; (C) the secretary of transportation; (D) the secretary of health and environment; (E) the state geologist; (F) the chairperson of the state corporation commission; and (G) the consumer counsel of the citizens' utility ratepayer board; and

(3) the following nonvoting members ex officio: The chairperson, vice-chairperson and ranking minority member of each the house and senate standing committees on utilities.

(c) Of the members of the council first appointed by the governor, the governor shall designate three to serve terms of two years, three to serve terms of three years, and four to serve terms of four years. Thereafter, each such member shall serve a term of four years and until a successor is appointed and qualifies. Following expiration of the terms of appointment of

original members of the board, no member appointed by the governor shall serve more than two terms on the council.

(d) The council shall assist the director of the energy policy division in:

(1) Developing and proposing the plan and policies, and updates thereof, provided for by subsection (b)(3) of K.S.A. 66-616, and amendments thereto;

(2) developing recommendations for implementation of such plan, policies and updates; and

(3) developing and proposing the guidelines, and updates thereof, provided for by subsection (b)(5) of K.S.A. 66-616, and amendments thereto.

(e) The council shall meet quarterly, or upon call of the chairperson or governor or on written request of voting members of the council equal in number to not less than a quorum. At the initial meeting and annually in the third calendar quarter of the calendar year the council shall elect from among its members a chairperson, vice-chairperson and such other officers as the council deems necessary. Six voting members shall constitute a quorum of the council.

(f) Both voting and nonvoting members of the council shall receive compensation, subsistence allowances, mileage and other expenses as provided in K.S.A. 75-3223, and amendments thereto.

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

(h) The council may appoint citizens' advisory committees to study and advise on any subjects upon which the council is required or authorized by this act to make recommendations.

New Sec. 3. The state geological survey, department of commerce and housing, department of administration, the department of transportation, the department of health and environment and all other state and local governmental agencies

shall cooperate with the director of the energy policy division and the energy policy advisory council in carrying out their duties under this act and shall make available to the director and the council all nonproprietary, nonconfidential facts, records, information and data requested by the director or the council.

Sec. 4. K.S.A. 55-153 and K.S.A. 2000 Supp. 74-616 are hereby repealed.

Sec. 5. This act shall take effect and be in force from and after its publication in the statute book.