Approved: March 15, 2006
Date

MINUTES OF THE HOUSE UTILITIES COMMITTEE

The meeting was called to order by Chairman Carl Holmes at 9:00 A.M. on January 26, 2006 in Room 231-N of the Capitol.

All members were present.

Committee staff present:
Mary Galligan, Kansas Legislative Research
Mary Torrence, Revisor's Office
Renae Hansen, Committee Secretary
Heather Klaasen, Revisor Intern

Conferees appearing before the committee:
Representative Tom Sloan
Colin Hansen, Executive Director, Kansas Municipal Utilities
Charles Benjamin, Sierra Club
Trudy Aron, American Institute of Architects
Stewart Lowry, Kansas Electric Cooperatives
Phil Wages, Kepco
John Olsen, Executive Director, Bulk Power Marketing, Westar Energy

Others attending:
See attached list.

Chairman Holmes opened the floor to discuss:

HR 6005 **Southwest Power Pool urged to recognize reliability component and value of economic transmission projects.**

Representative Annie Kuether moved to pass **HR 6005** to the house floor. Seconded by Representative Lynne Oharah. Motion passed.

Representative Mitch Holmes will carry **HR 6005** to the floor of the Kansas House of Representatives.

Hearing on:

HB 2636 **Educational entity and municipal renewable energy cooperatives.**

Representative Tom Sloan, (Attachment 1), presented testimony informing the committee that this bill originated out of the Select Joint Committee on Energy. This bill authorizes municipalities and educational institutions to form renewable energy cooperatives to generate electricity.

Colin Hansen, Executive Director, Kansas Municipal Utilities,(Attachment 2), spoke in favor of **HB 2636** stating the bill would enhance the ability of cities and schools to invest in such community wind energy projects.

Jennifer States, managing Director, J.W. Prarie Wind Power LLC, (Attachment 3), presented written testimony in favor of **HB 2636.**

Charles Benjamin, Sierra Club, (Attachment 4), offered testimony that was supportive of **HB 2636.** This bill would enable the development of "community wind farms" owned and operated by the educational and municipal entities.

Trudy Aron, Executive Director, American Institute of Architects, (Attachment 5), spoke in favor of HB 2636 stating that AIA believes that sustainable strategies , integrated design and long range thinking can lead to a built environment that minimizes environmental impact.

MINUTES OF THE House Utilities Committee at 9:00 A.M. on January 26, 2006 in Room 231-N of the Capitol.

Opponents:

Stewart Lowry, Kansas Electric Cooperatives, (Attachment 6), presented testimony in opposition of HB 2636. They believe that these wind cooperatives could affect up to 80% of the energy needed in Kansas which could have sweeping affects for the electricity industry.

Phil Wages, Kepco, (Attachment 7), reluctantly opposes the bill because of the conflict it would create with its lenders.

John Olsen, Executive Director, Bulk Power Marketing, Westar Energy, (Attachment 8), opposed because of the continued connectivity to the existing power where by Westar Energy would have to maintain enough reserve power capacity to handle the overage needed to supply the entity or if the wind turbines did not produce energy on any given day because of lack of wind.

Questions were asked by Representatives: Josh Svaty, Don Myers, Carl Krehbiel, Jason Watkins, Lynne Oharah, Tom Sloan, Forrest Knox, Melody Miller, Tom Hawk, Vaughn Flora, Annie Kuether, Rob Olson, and Carl Holmes.

The hearing was closed on **HB 2636**.

The next meeting is scheduled for January 27, 2006.

Meeting Adjourned.

HOUSE UTILITIES COMMITTEE GUEST LIST

DATE: January 26, 2006

NAME	REPRESENTING
Mark Schreiber	Westar Energy
Judy Aron	Am Inst of Architects
ROGER RANDALL	KCPL
Kimberly Shaw	Aquila
Sandra Braden	KCPL
HARRY BERG	MIDWEST ENERGY
TOM DAY	KCC
LARRY HOLLOWAY	KCC
STUART LOWRY	KEC
PHIL WAGGS	KCPCO
Dave HOLTHAUS	KEC
STEVE JOHNSON	Kansas Gas Service / ONEOK
Charles Benjamin	US Sierra Club
David Springe	Curb
JOHN DOUGHERTY	ESU

TOM SLOAN
REPRESENTATIVE, 45TH DISTRICT
DOUGLAS COUNTY

STATE CAPITOL BUILDING
ROOM 446-N
TOPEKA, KANSAS 66612-1504
(785) 296-7677
1-800-432-3924

772 HWY 40
LAWRENCE, KANSAS 66049-4174
(785) 841-1526
sloan@house.state.ks.us

STATE OF KANSAS

TOPEKA

HOUSE OF
REPRESENTATIVES

COMMITTEE ASSIGNMENTS
CHAIRMAN: HIGHER EDUCATION
MEMBER: UTILITIES
ENVIRONMENT
AGRICULTURAL & NATURAL RESOURCES BUDGET

KANSAS WATER AUTHORITY

Testimony on HB 2636 - Municipal and School Renewable Energy Cooperatives

January 26, 2006 House Utilities Committee

Mr. Chairman, Members of the Committee: HB 2636 is one of the bills recommended by the Special Joint Committee on Energy in an effort to comprehensively address this state's future in the areas of energy production, energy conservation, and energy export. It reflects the Special Committee's determination that it is better for Kansans to be close to the source of energy (electricity, bio-fuels, petroleum products, natural gas) than to be at the "other" end of the supply pipeline.

HB 2636 authorizes municipalities and educational institutions to form renewable energy cooperatives to generate electricity in plants appropriately sized for their own use. Renewable fuels are broadly defined to include biomass, waste incineration, wind, solar, and landfill gas so that the local government can utilize the most cost-effective and bountiful fuel source available.

The underlying premise for this bill is that the state's public interest is best served by a mix of large scale commercial base load electric generation (e.g., coal, nuclear, wind) with peak load response capability (e.g., natural gas combined cycle combustion units) and on-site distributive generation (e.g., community wind).

This legislation is based on two existing sets of statutes: one authorizes five or more persons to form a renewable energy cooperative and sell electricity in the wholesale marketplace without being considered a public utility; and language authorizing co-generation of electricity by industrial customers (e.g., El Dorado refinery, Vulcan Chemicals).

The key elements in the bill are: 1) the generation must be appropriately sized, 2) the traditional electric supplier must either purchase the excess generation or make a good faith effort to sell that excess power in the wholesale market (utility can be compensated for that service), 3) the purchase of the excess power is not a breach of a full-service contract, and 4) the Kansas Development Finance Authority is authorized to assist in securing project funding.

This bill is designed to responsibly promote community-based renewable energy production within the context of other statutes and policies promoted by previous legislatures. I will be pleased to respond to questions at the appropriate time.

HOUSE UTILITIES
DATE: 1/26/06
ATTACHMENT 1

kansasmunicipalutilities

Submitted Testimony Provided the

House Utilities Committee
January 26, 2006

Colin Hansen
Executive Director
Kansas Municipal Utilities

Educational Entity and Municipal Renewable Energy Cooperative Act

Thank you for the opportunity to provide written testimony regarding House Bill 2636, the Educational Entity and Municipal Renewable Energy Cooperative Act.

Kansas Municipal Utilities (KMU) is the statewide trade association representing 168 municipal electric, natural gas, water and wastewater utilities. I have the opportunity to serve as Executive Director of the organization, with offices in McPherson, Kansas.

HB 2636 would allow two or more educational entities or cities to create a cooperative to generate or purchase renewable energy for use by the citizens of the municipality or the facilities of the educational institution. In addition, the bill would require the retail electric supplier to such a cooperative to purchase any surplus renewable energy generated or purchased by a cooperative at wholesale market prices or to make a good faith effort to sell that surplus.

KMU supports the concept of "community wind energy" for the state of Kansas. Community wind energy is defined as locally owned, commercial-scale wind projects that optimize local benefits. In this instance, locally owned means that one or more members of the local community has a significant direct financial stake in the project other than through land lease payments, tax revenue, or other payments in lieu of taxes.

It is my belief that House Bill 2636 would enhance the ability of cities and schools to invest in such community wind energy projects. For that reason, KMU supports this legislation.

I again thank the committee for the opportunity to provide written testimony. Should you have any questions, comments or concerns regarding the testimony, please feel free to call me at 620/241-1423 or email me at chansen@kmunet.org.

HOUSE UTILITIES
DATE: 1/26/06
ATTACHMENT 2

Testimony before the House Utilities Committee on HB 2636 - Municipal and Education Renewable Energy Cooperatives
February 26, 2006

Given by: Jennifer States, Managing Director
J.W. Prairie Wind Power LLC
3211 Clinton Parkway Court, Suite 2
Lawrence, KS 66047

Mr. Chairman, Members of the Committee.

I apologize for not appearing before you today on HB 2636. We are completing a response to a request for proposal to supply renewable energy to a Kansas utility. The deadline for submitting this bid is January 27th. Currently, our small staff is busy calculating development and production costs for multiple sites and different size generation units. I sincerely regret being unable to testify before the Committee.

Nationally, HB 2636 is the most important 2006 legislative initiative for promoting community wind and distributive generation. A question that has kept several Kansas communities from moving forward with renewable energy generation is "What do we do with the surplus electricity". HB 2636 answers this question.

HB 2636 supports partnerships between municipalities, school districts and local electric utilities. These partnerships will help fill local energy needs while providing economic and environmental benefits. Energy not needed for the local community can be marketed by the utility for a fee.

The Kansas Energy Council members debated long and hard on how to promote community wind. Several state legislators and KEC members drove to Minnesota and looked at how community wind benefits local landowners and rural communities. KEC members voted to support research on a renewable portfolio standard (RPS) for Kansas in an effort to stimulate community wind project development.

HB 2636 is a good fit for advancing community wind in Kansas because it promotes a partnership relationship between municipalities and utilities. This relationship is conceptually similar to existing contracts in which municipal generators and utilities buy and sell power to each other.

On behalf of JW Prairie Windpower, I encourage you to support passage of HB 2636 as the most effective means of advancing the goal of community wind generation in Kansas.

I encourage you to contact me if you would like to discuss the bill, community wind, or any other renewable energy topic. I may be reached at 785-856-5997. I've also included a page for your information that summarizes the benefits of community wind development for our rural communities. Thank you and I again apologize for not personally appearing before you.

HOUSE UTILITIES
DATE: 1/26/06
ATTACHMENT 3

Strength in Partnership with Community Wind

JW Prairie Windpower (JWPW) is working with John Deere Wind Group (John Deere) in Kansas and other states to develop wind projects through a business model known as community wind. These projects are typically 20 MW or less and involve megawatt size wind turbines in small clusters. The financial structure of these projects provides greater local economic benefit to the community. There are opportunities for the utility cooperatives, local communities, or local individuals to own these projects after ten years. Local ownership means even more dollars stay in the community. The value of a distributed wind energy system sustains a vibrant rural environment and community. These projects help to make communities better places to live by bringing long term, high tech jobs into the area, while also supporting the agricultural economy.

"John Deere is especially well positioned to support our farm customers in this growing industry. For generations, the world's most productive farmers have used John Deere equipment to provide food to the world and now, through wind energy, the same farmers can help meet the growing demand for electricity." said Robert W. Lane, Deere & Company chairman and chief executive officer. Deere currently has investments in wind energy projects of more than 50 megawatts of electricity in Texas and Minnesota.

Wind projects provide more jobs per kWh than coal or gas generation facilities. If a wind project is locally owned and distributed, it has been found (by Minnesota's Southwest Regional Development Commission) that these projects would produce 25 to 150 more jobs and $700,000 to $4.3 million (more) in total value added than the concentrated facility ownership scenario.

The U.S. General accounting office asked NREL to analyze a 40 MW project in two different scenarios. The analysis showed that the small-scale, locally owned project with a total of 40 MW would generate significantly higher economic impacts for a county. "Local ownership and local financing result in more dollars remaining in the local economy (i.e., more local spending and fewer monetary leakages) when compared with a project of similar size not locally owned or financed." A similar study conducted for the state of Iowa by Utility Wind Consulting found that locally-owned wind generation creates 10 times more economic activity in the local community and state than does wind generation owned by out-of-state companies.

Landowners receive lease payments for energy generated on their land, with very few acres (1% of the land) being removed from production. Landowners can continue to farm and ranch right up to the base of the turbines. Local ownership of wind turbines can double or triple the income received per turbine. Multiple interconnect points for community wind means that the benefits are spread amongst more landowners in several different communities.

1/24/06
3-2

Charles M. Benjamin, Ph.D., J.D.
Attorney at Law
P.O. Box 1642, Lawrence, Kansas 66044-8642
(785) 841-5902; 841-5922 facsimile
chasbenjamin@sbcglobal.net

Testimony in Favor of H.B. 2636
On behalf of the Kansas Chapter of the Sierra Club
Before the Kansas House Utilities Committee
January 26, 2006

Mr. Chairman, members of the Committee, thank you for the opportunity to testify in favor of H.B. 2636 on behalf of the Kansas Chapter of Sierra Club – the largest grass roots environmental organization in the world with over 750,000 members, including over 4,000 in Kansas. Sierra Club supports public policies that encourage energy efficiency and the use of renewable energy.

H.B. 2636 allows educational entities and cities to create cooperatives for the purpose of generating or purchasing renewable energy for use by those educational entities and cities. This legislation will enable the development of "community wind farms" owned and operated by the educational and municipal entities. The two wind farms that exist in Kansas are large projects, 110 MW in Gray County and 100 MW Butler County. These projects were developed by large companies, FPL Energy (based in Florida) and PPM Energy (whose parent company is in Scotland), for sale of electricity to retail utilities in Kansas and Missouri. Another 100 MW wind farm, developed by eXcel Energy (based in California) in Ford County, is to be purchased by KCP&L for the generation of electricity for their ratepayers in Kansas and Missouri. These wind projects have been and will be successful and will provide profitable rates of return for investors in those projects. Wind development companies from as far away as Germany and Spain are looking for wind farm projects to develop in Kansas. We in Kansas should continue to encourage that type of investment. Nevertheless, much of the return on those investments leaves Kansas.

What is missing from the development of wind generated electricity in Kansas are smaller scale wind projects that can meet the needs of entities like schools and municipalities and for which there can be local investments - with the returns, electric and financial, largely staying in the communities. I participated in a tour of community wind farms in southwest Minnesota on August 30 & 31, 2005. Those of us on that tour, including Sen. Lee and Rep. Svaty, saw the enthusiasm and pride that the local citizenry and community leaders had in wind farms that they had invested in and from which they derived many benefits. Those benefits included the electricity but also the benefit of keeping the investments and the return from those investments within the community. We think that H.B. 2636 will enable Kansas municipalities and educational entities to replicate that success here in Kansas. Because Kansas has one of the best wind resources in the world, we should be able to do much better than Minnesota. We therefore wholeheartedly urge your support for H.B. 2636.

HOUSE UTILITIES
DATE: 1/26/06
ATTACHMENT 4

AIA Kansas
Chapter of The American Institute of Architects

January 26, 2006

TO: Representative Holmes and Members of the House Utilities Committee

FROM: Trudy Aron, Executive Director

RE: Support of HB 2636

Mr. Chairman and Members of the Committee, I am Trudy Aron, executive director, of the American Institute of Architects in Kansas (AIA Kansas.) I am here to testify in support HB 2636.

Why is AIA here testifying on this bill? AIA Kansas is a statewide association of architects and intern architects. Our member design the housing, commercial and institutional buildings in our state. AIA Kansas and our members believe that sustainable strategies, integrated design and long range thinking can lead to a built environment that minimizes environmental impact, save operation and maintenance costs and promote health and well-being.

AIA Kansas encourage public policy that supports environmental responsibility and the development of healthy, livable communities. HB 2636 provides a way for educational entities and/or municipalities to form cooperatives to provide for the generation of electricity from renewable sources. We applaud this effort and hope to see more energy use from renewable sources. This will decrease our dependency on fossil fuels and its pollution laden legacy.

We would appreciate your support on HB 2636. This is a good start to keeping our skies blue and our air clean.

Thank you. I'll be happy to answer any questions you may have.

700 SW Jackson, Suite 503
Topeka, Kansas 66603-3758
Telephone: 785-357-5308
800-444-9853
Facsimile: 785-357-6450

HOUSE UTILITIES
DATE: 1/24/06
ATTACHMENT 5

TESTIMONY OF KANSAS ELECTRIC COOPERATIVES, INC.

House Utilities Committee
January 26, 2006

House Bill 2636

Good morning Mr. Chairman and members of the Committee, my name is Stuart Lowry and I serve as Executive Vice President and General Counsel for Kansas Electric Cooperatives, Inc. (KEC). KEC is the statewide association for thirty rural electric cooperatives operating in the state of Kansas.

KEC applauds the extraordinary effort of the Select Joint Committee on Energy. The Committee proposed sixteen bills, including HB 2636, and three resolutions covering a wide range of energy topics after only four and one-half days of hearings. KEC and its members support the development of renewable energy in Kansas and have supported a wide range of bills creating incentives for investment in renewable technologies and the necessary infrastructure to deploy these technologies. However, KEC opposes HB 2636 for the reasons I will outline in more detail.

HB 2636 substantially expands on the concept of customer-owned generation. It allows for educational entities, or cities, or both to create renewable cooperatives for the purpose of generating or purchasing renewable energy for the educational entity, the city, or the users of electricity in the city. To illustrate the full sweep of the bill, the amount of total electric load subject to the provisions of this act is equal to that of every residence or business in every city in the state and every educational entity, regardless of location. This could conservatively be in excess of 80% of the electric load in Kansas. Additionally, the members of the renewable cooperatives could be located in opposite corners of the state with no proximate physical interconnection electrically.

Retail electric service in Kansas is governed by the Retail Electric Suppliers Act, K.S.A. 66-1,170 et seq (RESA). Under the act, the state is divided into single certified service territories within which an electric supplier provides service. Certified suppliers have created an operational structure necessary to provide the service. The service provided by the retail electric supplier to end-use consumers is bundled service in that it includes the generation necessary to meet the load requirements, the transmission service necessary to move to power to wholesale delivery points, and the infrastructure to provide distribution service to the consumer. HB 2636 undermines this statutory and operational structure in several ways.

The bill allows end-use consumers to receive electric service from a provider (the renewable cooperative) rather than the supplier certified under RESA to provide that service. This is in direct violation of RESA and essentially creates retail competition, something previous legislatures have studied and rejected.

The current electric rates for bundled service provided by retail electric suppliers include all costs to provide that service. Without unbundling those costs, the utility would have no means to recover the costs to provide services to the renewable customer that would still be required. Currently utilities do not maintain stand-alone charges for these services, such as the demand component of generation service, transmission services, or wheeling services required to move power to consumers taking service from a renewable cooperative. If the renewable customer does not pay for these costs through rates, the costs are borne by other customers of the retail electric supplier.

Some cities have franchised retail electric providers who serve within a city. These providers typically operate under a franchise agreement and make investment in electric plant and generation resources sufficient to serve the load within the city. HB 2636 would effectively abrogate this agreement. Still other cities with municipal electric service receive wholesale service from some other utility. Forming an entity to generate electricity would likely be in express conflict with the contracts under which the municipal provider receives wholesale service. Even if abrogating that contract (which HB 2636 specifically allows) were legally permissible, operational problems with voltage control and reliability caused by the intermittent operation of the customer owned generation would exist. Whether the retail electric provider, the wholesale provider, or the renewable cooperative is responsible for maintaining reliability is not answered in the bill.

The location of the cities or educational entities forming the cooperative could compound the operational difficulties. There is no requirement that the participants be connected, or even in the same area. If the cities are not physically interconnected, arrangements for transmission service would be required to deliver the renewable energy to the cooperative members. The bill is silent as to the party responsible for arranging transmission service and as to the how the cost is imposed. The bill is also silent as to which utility is responsible to fulfill the obligation to purchase or market excess generation, since multiple retail electric providers could be subject to the bill, depending on the location of the members of the renewable cooperative.

In addition to the operational issues that would result in implementing HB 2636, financial hardship would also be caused. While Section 8 of the bill provides that the renewable cooperative would only generate or purchase the amount of renewable energy "reasonably necessary to meet the consumptive needs" of the participants, it requires the retail electric supplier to purchase or market the excess generation. It is not certain that the amounts of energy to be purchased would be small. If a renewable

cooperative constructed generation to meet the renewable cooperatives peak, then substantial amounts of energy could be available for sale in the shoulder months before and after the peak.

Further, the purchase price is established in the bill at "wholesale market price" but wholesale market price is not defined. The market price is variable depending on numerous factors, including available transmission, time of day, time of year, and weather, to name a few. The option to market the power is also problematic in that few retail electric suppliers have the staff or resources available to function as wholesale power marketers. The staff and other resources necessary to function as a marketer would need to be borne by someone, either the renewable cooperative or the retail electric provider.

While we support the many incentives that the Legislature has adopted to provide incentive for investment in renewable energy, we do not believe HB 2636 to be sound public policy.

Thank you for the opportunity to speak today.

KEPCo

Kansas Electric Power Cooperative, Inc.

HOUSE UTILITIES COMMITTEE
H.B. 2636

Testimony on behalf of Kansas Electric Power Cooperative, Inc. (KEPCo)
January 26, 2006

Mr. Chairman and members of the committee:

Thank you for the opportunity to offer testimony on H.B. 2636. My name is Phil Wages and I am employed by Kansas Electric Power Cooperative, Inc.

KEPCo agrees with the testimony you have heard from Mr. Lowry from the KEC. I only wish to add a comment on a part of this bill that is of particular concern to KEPCo.

KEPCo is a generation and transmission utility, providing electricity to nineteen member rural electric cooperatives serving the eastern two-thirds of the state. While KEPCo fully supports the development of renewable energy in Kansas, including wind power, KEPCo must reluctantly oppose this bill, because of the conflict this bill will place KEPCo in with its lenders.

I want to focus on the sentence on page 4, lines 29 and 30 which states that, "The purchase of such renewable energy shall not be construed to be a breach of an existing full service power supply contract."

KEPCo's nineteen member rural electric cooperatives have an all requirements power contract with KEPCo. These contracts have been in existence prior to 1985. One of KEPCo's lenders, and the agency that holds KEPCo's mortgage, is the Rural Utilities Service (RUS), a division of the United States Department of Agriculture. The full requirement contracts that are referenced in this bill are required by RUS as the security for any and all loans granted by and through RUS. KEPCo has recently filed an addendum to our wholesale power contract with RUS which will extend our current contract that expires in 2020 to 2045. Any material deviation from KEPCo's all requirements power contract will impair KEPCo's loan security, its ability to meet debt service requirements, and would be a material breach of the RUS mortgage, thus placing KEPCo in violation of its mortgage requirement.

In addition, this language assumes this is not an impermissible impairment of contract under the constitution. That is a complex question but is one that the language certainly raises.

Mr. Chairman, this concludes my testimony and I stand for questions.

Phone: 785.273.7010
Fax: 785.271.4888
www.kepco.org

P.O. Box 4877
Topeka, KS 66604-0877

600 SW Corporate View
Topeka, KS 66615

A Touchstone Energy® Cooperative

HOUSE UTILITIES
DATE: 1/26/06
ATTACHMENT 7

Testimony on HB 2636 before the
House Utilities Committee
By
John Olsen, Executive Director, Bulk Power Marketing
Westar Energy
January 26, 2006

Chairman Holmes and members of the committee, I am John Olsen, executive director, bulk power marketing for Westar Energy.

House Bill 2636 creates certain cooperatives that can generate or purchase renewable energy and sell such energy to members of the cooperative. These special cooperatives would be comprised of educational entities or cities. It would also require the retail electric supplier to these entities to purchase the surplus energy or make a good faith effort to sell the surplus.

Westar Energy is opposed to this bill. Section 8, parts (a) and (b) are at the heart of our opposition. In part (a), these cooperatives would generate their own electricity but still be connected to their retail electric supplier. Thus if a cooperative authorized by this bill would operate in Westar Energy's territory, my company would be required to have capacity reserved for the full power requirements of the city(ies) or educational institutions. This capacity must be immediately available to these entities when their renewable energy supply, presumably wind, stops operation. The capacity we reserve for them is then "locked up" and is unavailable for us to sell wholesale or use for other customers. The financial risk this situation imposes on our retail customers is unacceptable.

Part (b) creates problems for the efficient dispatch and planning of our generation. We would have no idea when the surplus energy would become available. The efficient use of our units demands planning to produce reliable energy at reasonable costs. This part would also require us to buy the surplus at wholesale market rates. These rates change hourly…so which rate is appropriate? Wholesale electricity that cannot be planned or arranged for in advance of its availability has very low market value. If we can't use the power then we could try to sell it on the open market, but we have already purchased it at the market price so the ultimate buyer is not going to buy it at a higher rate. Again, the financial risk to our retail customers due to increased purchase power costs and higher fuel cost due to non-optimal dispatch solutions is unacceptable.

The purpose of this bill appears to be to drive demand for renewable energy. Today, renewable energy is being developed in Kansas without the imposition of additional statutes based on its own desirable characteristics and economics. We believe the market is the best "driver" for the development of this resource.

Thank you for allowing me the opportunity to address you on this bill. I would urge this committee to oppose HB 2636. I would be glad to answer questions at the appropriate time.

HOUSE UTILITIES
DATE: 1/26/06
ATTACHMENT 8