

MINUTES OF THE HOUSE UTILITIES COMMITTEE

The meeting was called to order by Chairman Carl Holmes at 9:00 A.M. on March 22, 2006 in Room 231-N of the Capitol.

All members were present except:

Lynne Oharah- excused  
Mitch Holmes- excused  
Jim Ward- excused

Committee staff present:

Mary Galligan, Kansas Legislative Research  
Mary Torrence, Revisor's Office  
Heather Klaasen, Research Intern  
Rena Hansen, Committee Secretary

Conferees appearing before the committee:

Others attending:

See attached list.

It was decided that Representative Jim Morrison would carry **SB 414** on the House floor.

Action on:

**Sub SB 303 The Kansas Energy Development Act**

Representative Peggy Mast moved a technical amendment on the pipeline portion of Sub SB 303 that would narrow the bill to not include the expansion of pipelines but only include new pipelines. Seconded by Representative Annie Kuether. Motion passed unanimously.

Representative Annie Kuether moved to pass out favorably Sub SB 303 to the House floor. Seconded by Representative Rob Olson. Motion passed unanimously.

Representative Carl Holmes will carry the bill on the House floor.

There was no more action on **Sub SB 303**.

Action on:

**Sub SB 70 Sub for H 2723 by Committee on Taxation--Income tax credits and deductions for certain energy efficiency improvements.**

Representative Tom Sloan had staff distribute a proposed amendment to **Sub SB 70**, (Attachment 1). Representative Sloan explained how this language would help further the goals of the federal government to meet directives and incentives established by the United States Department of Defense, presidential executive orders, the federal energy act of 2005 and, in response to a renewable portfolio standard.

Representative Tom Sloan moved to amend into Sub SB70 the language he offered. Seconded by Representative Josh Svaty.

Questions were asked by and comments made by Representative: Annie Kuether, Tom Sloan, Carl Krehbiel, Melody Miller, and Don Myers.

Representative Sloan closed on the motion to amend.

Motion failed.

Representative Sloan asked to be recorded as a favorable vote to the amendment.

CONTINUATION SHEET

MINUTES OF THE House Utilities Committee at 9:00 A.M. on March 22, 2006 in Room 231-N of the Capitol.

Representative Tom Hawk moved to pass **Sub SB 70** favorable for passage as amended to the House floor. Seconded Carl Krehbiel. Motion passed unanimously.

Representative Tom Hawk will carry **Sub SB70** on the House floor.

There was no more action on **Sub SB70**.

Chairman Holmes let committee members know that when the minutes were ready they would be handed out and House Utilities committee members would be given 48 hours to respond with any changes.

Representative Josh Svaty asked when the Kansas Geological survey would be having their Legislative tour and other members responded that generally the tour happened the first week in June. This years tour would deal with water issues and would take place in Southeast Kansas, and parts of Oklahoma and Missouri.

The only meetings left for the session would be conference committees.

Meeting adjourned.

# HOUSE UTILITIES COMMITTEE GUEST LIST

DATE: March 22, 2006

NAME	REPRESENTING
Lindsey Douglas	Hein Law Firm
LARRY BERG	MIDWEST ENERGY
DINA FISK	VZV
Jennifer Lynn	PSA
Phil Wages	KEPCO
DAVE HOLTMAUS	KEC
Mr. Mark Schreiber	Westar Energy
Steve Johnson	Kansas Gas Service / ONEOK
Steve Miller	SunTower Electric
GINA BOWMAN-MORRILL	Coffeyville Resources, LLC
Shirley Allen	KRITC
Robert Randall	KCPL
Tom Day	KCC
Jack Graves	DEFS: PH + NM

## PROPOSED AMENDMENT TO HB 2723/SB 70

Section 1. (a) Subject to the provisions of subsection (b), if an electric public utility sells, at retail rates approved by the commission, Kansas renewable energy to the federal government, or to any agency or instrumentality of the federal government which is located in Kansas, to meet directives and incentives established by the United States department of defense, presidential executive orders or the federal energy act of 2005 and, in response to a renewable portfolio standard, must procure such renewable energy at costs greater than such utility's cost of procuring other energy for sale to such government, agency or instrumentality, the utility may seek to recover the difference between the cost of procuring such renewable energy and the cost of procuring such other energy through a separate energy procurement charge included in the bills of all electric public utility customers in the state. Upon application, the commission, after determining that the utility's Kansas renewable energy procurement costs are reasonable and at a rate greater than the utility's cost of procuring other energy for sale to such government, agency or instrumentality, shall authorize the energy procurement charge without a review of the utility's retail rates in effect at the time. An electric public utility may change its energy procurement charge whenever there is a change in the utility's costs of procuring Kansas renewable energy for sale to such government, agency or instrumentality. An electric public utility shall submit a report to the commission at least 30 business days before changing its energy procurement charge. If the commission subsequently determines that all or part of such charge did not result from the additional energy costs described by this subsection, the commission may require changes in such charge and impose appropriate remedies. An electric public utility's retail rates in effect at the time such utility changes its energy procurement charge shall not be subject to review or change as a result of a change in the such charge.

(b) The cost recovery authorized by this section shall not be allowed on an aggregate of more than 100 megawatts of Kansas renewable energy for all electric public utilities.

(c) The commission may adopt rules and regulations to implement and administer the provisions of this section.

(d) As used in this section:

(1) "Commission" means the state corporation commission.

(2) "Electric public utility" has the meaning provided in K.S.A. 66-101a, and amendments thereto.

(3) "Kansas renewable energy" means electricity generated in Kansas from renewable resources and technologies, as defined K.S.A. 66-1,184a, and amendments thereto.

HOUSE UTILITIES

DATE:

3/22/06

ATTACHMENT

1