

MINUTES OF THE HOUSE ENERGY AND UTILITIES COMMITTEE

The meeting was called to order by Chairman Carl Holmes at 9:00 A.M. on January 26, 2007 in Room 241-N of the Capitol.

All members were present.

Committee staff present:

Mary Galligan, Kansas Legislative Research
Dennis Hodgins, Kansas Legislative Research
Jason Long, Revisor's Office
Renaë Hansen, Committee Assistant

Conferees appearing before the committee:

Others attending:

Nineteen including those on the attached list.

HB 2037: Income tax credits and deductions for certain energy efficiency improvements.

Discussion and comments by Representatives: Tom Hawk, and Tom Sloan.

Representative Tom Sloan moved to amend HB 2037 page 2 line 9. Second by Representative Annie Kuether. Motion Carried.

Representative Annie Kuether moved to amend HB 2037 to be included in the register. Seconded by Representative Rob Olson. Motion passed.

Representative Annie Kuether moved to pass HB 2037 favorably as amended. Seconded by Representative Cindy Neighbor. Motion Carried.

Representative Tom Hawk will carry HB 2037 on the floor of the House.

HB 2038: Nuclear power plants; application of siting act; property tax exemption.

Representative Tom Sloan (Attachment 1) moved to amend HB 2038 with the balloon he offered. Seconded by Kuether.

Discussion on the motion by Representatives: Tom Moxley, Tom Sloan, Annie Kuether, Peggy Mast, Carl Holmes, Bill Light, Mary Galligan, and Don Myers.

Representative Tom Sloan with-drew the motion.

Representative Tom Sloan moved to amend HB 2038, pg 1 with indicated changes lines 34-37 only. Seconded by Representative Annie Kuether.

Discussion on the motion ensued by Representatives: Don Myers, Tom Sloan, Peggy Mast, and Carl Holmes.

Representative Tom Sloan closed on the motion.

Motion passed

Representative Tom Sloan moved to pass out of committee HB 2038 as amended. Seconded by Representative Peggy Mast.

CONTINUATION SHEET

MINUTES OF THE House Energy and Utilities Committee at 9:00 A.M. on January 26, 2007 in Room 241-N of the Capitol.

Discussion by Representatives: Josh Svaty, Carl Holmes, Peggy Mast, Annie Kuether, Tom Moxley, Don Myers, and Tom Hawk.

Representative Tom Sloan closed on the motion.

Motion carried.

HB 2038 will be carried by: Representative Carl Holmes.

HB 2066: Extension of electric transmission lines; exemption from siting requirements.

Tom Sloan moved to amend **HB 2066** (Attachment 2), to clarify that organizations like KETA can participate in the intent of the bill. Seconded by Representative Tom Moxley.

Representative Tom Sloan amended the motion to include KETA on line nine page 2, seconded by Representative Tom Moxley.

Discussion followed on the amendment by Representatives: Carl Holmes, Tom Sloan, Mary Torrence, Richard Proehl, and Tom Moxley.

Motion Withdrawn.

Representative Tom Sloan moved to amend **HB 2066** per submitted amendment adding KETA on line nine page two and additionally inserting "transmission" on page one line twenty-six between the new words prospective and facilities. Seconded by Representative Tom Moxley. Motion Carried.

Representative Tom Sloan moved to pass **HB 2066** favorable for passage as amended. Seconded by Representative Tom Moxley.

Comments were made by Representative Don Myers.

Motion Carried.

Representative Josh Svaty asked it be noted in the minutes that he did not take part in the discussion of this bill or the vote.

Representative Rocky Fund will carry **HB 2066** on the House floor.

Representative Holmes reminded the committee about the two sub-committee meetings to be held upon adjournment of the house today. **HB 2033** will meet in room 231-N, and **HB 2035** will meet in room 241-N.

Comments were made by Tom Sloan about, Sue Maes, a member of Kansas State University's staff, heading a consortium of universities to help train future nuclear power plant engineers.

Representative Holmes noted the meeting on Monday would start promptly at 9 AM on **HB 2019** in 313-S. He noted two bills will be heard on Tuesday, two on Wednesday, and three on Thursday. KETA will be meeting at 1 pm on February 2, at the KCC first floor board room.

The next meeting is scheduled for January 29, 2007.

Meeting adjourned.

HOUSE BILL No. 2038

By Committee on Energy and Utilities

1-9

9 AN ACT concerning nuclear power plants; ~~concerning siting permits;~~
10 providing certain property tax exemptions; ~~amending K.S.A. 66-1-158,~~
11 ~~66-1-159, 66-1-159a, 66-1-161, 66-1-162, 66-1-169a and 66-1-169b and~~
12 ~~K.S.A. 2006 Supp. 66-1-160 and repealing the existing sections;~~

13
14 *Be it enacted by the Legislature of the State of Kansas:*

15 ~~New~~ Section 1. (a) The following described property, to the extent
16 herein specified, shall be exempt from all property taxes levied under the
17 laws of the state of Kansas:

18 Any new nuclear generation facility property or any expanded nuclear
19 generation facility property.

20 (b) The provisions of subsection (a) shall apply from and after pur-
21 chase or commencement of construction or installation of such property
22 and for the 10 taxable years immediately following the taxable year in
23 which construction or installation of such property is completed.

24 (c) The provisions of this section shall apply to all taxable years com-
25 mencing after December 31, 2006.

26 (d) As used in this section:

27 (1) "Existing nuclear generation facility" means a nuclear generation
28 facility which is in existence on January 1, 2007.

29 (2) "Expanded nuclear generation facility property" means any real
30 or tangible personal property purchased, constructed or installed for in-
31 corporation in and use as part of an expansion of an existing nuclear
32 generation facility, construction of which expansion begins after Decem-
33 ber 31, 2006.

34 (3) "Expansion of an existing nuclear generation facility" means ex-
35 pansion of the generating capacity of an existing nuclear generation facility, which
36 increases the capacity of such facility by at least 10% ~~and is within 3 miles~~
37 ~~of the reactor of such facility;~~

38 (4) "New nuclear generation facility property" means any real or tan-
39 gible personal property purchased, constructed or installed for incorpo-
40 ration in and use as part of a nuclear generation facility, of which con-
41 struction begins after December 31, 2006, and which is within three miles
42 of the reactor of an existing nuclear generation facility.

43 (5) "Nuclear generation facility" means any physical plant utilizing

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1 nuclear energy as the primary fuel for the production or generation of
 2 electricity or electric power.

3 ~~Sec. 2. K.S.A. 66-1,158 is hereby amended to read as follows: 66-~~
 4 ~~1,158. As used in this act:~~

5 ~~(a) "Addition to an existing nuclear generation facility" means any~~
 6 ~~addition of nuclear generation capacity to an existing nuclear generation~~
 7 ~~facility.~~

8 ~~(b) "Commission" means the state corporation commission.~~

9 ~~(b) (c) "Electric utility" means every public utility, as defined by~~
 10 ~~K.S.A. 66-104, and amendments thereto, which owns, controls, operates~~
 11 ~~or or manages any equipment, plant or generating machinery for the~~
 12 ~~production, transmission, delivery or furnishing, of electricity or electric~~
 13 ~~power.~~

14 ~~(d) "Existing nuclear generation facility" means a nuclear generation~~
 15 ~~facility which is in existence on January 1, 2007.~~

16 ~~(e) (e) "Landowner" means any person having an estate or interest in~~
 17 ~~any land, which land is proposed to be acquired by an electric utility in~~
 18 ~~connection with the construction, operation and maintenance of a nuclear~~
 19 ~~generation facility or addition to a nuclear generation facility.~~

20 ~~(d) (f) (1) "Nuclear generation facility or addition to a nuclear gen-~~
 21 ~~eration facility" means: (A) any physical plant utilizing nuclear energy as~~
 22 ~~the primary fuel for the production or generation of electricity or electric~~
 23 ~~power, or (B) any addition of nuclear generation capacity to an existing~~
 24 ~~generation facility.~~

25 ~~(2) "Nuclear generation facility or addition to a nuclear generation~~
 26 ~~facility" does not include: (A) Remodeling, reconditioning or retrofitting~~
 27 ~~of an existing nuclear plant a nuclear generation facility; (B) construction~~
 28 ~~of nonnuclear generation capacity at the site of an existing nuclear plant;~~
 29 ~~or (C) a nuclear generation facility; (C) an addition to an existing nuclear~~
 30 ~~generation facility which is within three miles of the reactor of an existing~~
 31 ~~nuclear generation facility; (D) construction of a nuclear generation fa-~~
 32 ~~cility which is within three miles of the reactor of an existing nuclear~~
 33 ~~generation facility; or (E) any facility or addition to a facility proposed to~~
 34 ~~be located outside this state if: (i) The need for the facility or addition~~
 35 ~~and the reasonableness of its proposed siting is subject to review by the~~
 36 ~~utility regulatory authority of that state; (ii) less than 10% of the retail~~
 37 ~~customers on the electric system intended to be served by such facility~~
 38 ~~or addition are located in this state; and (iii) such retail customers located~~
 39 ~~in this state number no more than 15,000.~~

40 ~~(e) (g) "Party" means any landowner, electric utility, governmental~~
 41 ~~board or agency, or any other person allowed to intervene in any pro-~~
 42 ~~ceeding under this act.~~

43 ~~(f) (h) "Person" means any individual, partnership, corporation or~~

strike all on pages 3 - 6

2-1

1 ~~1,160b. With regard to a facility proposed to be located outside this state,~~
2 ~~K.S.A. 66 1,160 and 66 1,161, and amendments thereto, shall not apply~~
3 ~~and, for purposes of determining the most reasonable location of a pro-~~
4 ~~posed facility or addition to a facility pursuant to K.S.A. 66 1,162, and~~
5 ~~amendments thereto, the commission shall consider only the effects on~~
6 ~~system reliability and economic efficiency.~~

7 ~~Sec. 10. K.S.A. 66 1,158, 66 1,159, 66 1,150a, 66 1,161, 66 1,162,~~
8 ~~66 1,160a and 66 1,160b and K.S.A. 2006 Supp. 66 1,160 are hereby~~
9 ~~repealed.~~

10 Sec. 11. This act shall take effect and be in force from and after its
11 publication in the statute book.

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HOUSE BILL No. 2066

By Committee on Energy and Utilities

1-16

9 AN ACT concerning electric transmission lines; relating to extension and
10 upgrades of such lines; amending K.S.A. 66-1,173 and 66-1,182 and
11 repealing the existing sections. 66-1,170,

12
13 *Be it enacted by the Legislature of the State of Kansas:*

14 Section 1. K.S.A. 66-1,173 is hereby amended to read as follows: 66-
15 1,173. Every retail electric supplier shall have the exclusive right and
16 responsibility to furnish retail electric service to all electric consuming
17 facilities located within its certified territory, and shall not furnish, make
18 available, render or extend its retail electric service to a consumer for use
19 in electric consuming facilities located within the certified territory of
20 another retail electric supplier except that:

21 (a) Any retail electric supplier, with the approval of the commission,
22 may extend distribution or transmission facilities through the certified
23 territory of another retail electric supplier, if such extension is necessary
24 for such supplier to connect with any of its facilities or those of others to
25 serve consumers within its own certified territory; ~~and~~

or prospective facilities owner

26 (b) ~~any transmission facilities owner~~ with the approval of the com-
27 mission, may extend transmission facilities through the certified territory
28 of a retail electric supplier, but shall not serve any retail consumer located
29 outside of the transmission facilities owner's certified territory; and

30 ~~(b)~~ (c) station power shall not be deemed to be retail electric service
31 for the purposes of this act.

32 Sec. 2. K.S.A. 66-1,182 is hereby amended to read as follows: 66-
33 1,182. (a) The provisions of this act shall not apply to:

34 (1) That portion of any electric transmission line to be constructed
35 on an easement where there currently exists one or more electric trans-
36 mission lines if the easement is not within the corporate limits of any city;

supply lines which are used for the bulk transfer of
34.5 kilovolts or more of electricity,

37 (2) that portion of any electric transmission line to be constructed on
38 property adjacent to right-of-way along a four-lane controlled access high-
39 way, as defined in K.S.A. 8-1410, and amendments thereto; ~~or~~

40 (3) any electric utility which complies with the provisions of the na-
41 tional environmental policy act of 1969 with regard to the siting of electric
42 transmission lines; ~~or~~

electric supply

43 (4) the upgrading of that portion of any line which is used for the

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1 *bulk transfer of 34.5 kilovolts or more of electricity, and which is not*
2 *located within the corporate limits of any city.*

3 (b) No city or county shall have jurisdiction or control over the siting
4 or construction of any electric transmission line exempted from the pro-
5 visions of this act by subsection (a).

6 (c) No environmental study shall be required for construction of an
7 electric transmission line on right-of-way where there currently exists one
8 or more electric transmission lines.

9 ~~Sec. 3. K.S.A. 66-1,173 and 66-1,182 are hereby repealed.~~

10 Sec. 4. This act shall take effect and be in force from and after its
11 publication in the statute book.

See attached

Renumber remaining sections accordingly

66-1,170,

2-2

Sec. 1. K.S.A. 66-1,170 is hereby amended
read as follows: 66-1,170. As used in this
act:

(a) "Distribution line" means an electric line used to furnish retail electric service, including any line from a distribution substation to an electric consuming facility; but such term does not include a transmission facility used for the bulk transfer of energy even if such energy is reduced in voltage and used as station power.

(b) "Electric consuming facility" means any entity which utilizes electric energy from a central station service.

(c) "Commission" means the state corporation commission of the state of Kansas.

(d) "Retail electric supplier" means any person, firm, corporation, municipality, association or cooperative corporation engaged in the furnishing of retail electric service.

(e) "Certified territory" means an electric service territory certified to a retail electric supplier pursuant to this act.

(f) "Existing distribution line" means a distribution line which is in existence on the effective date of this act, and which is being or has been used as such.

(g) "Single certified service territory" means that service area in which only one retail electric supplier has been granted a service certificate by the commission.

(h) "Dual certified service territory" means that service area where more than one retail electric supplier has been granted a service certificate by the commission.

(i) "Station power" means electric energy used for operating equipment necessary for the process of generating electricity at any generating plant owned by a utility or a generating plant specified in subsection (e) of K.S.A. 66-104, and amendments thereto, and placed in use on or after January 1, 2002, whether such electrical energy is generated at such generating plant or provided through the adjacent transformation and transmission

interconnect, but does not include electric energy used for heating, lighting, air conditioning and office needs of the buildings at a generating plant site.

(j) "Transmission facilities owner" means any person, firm, corporation, municipality, association or cooperative corporation engaged in the bulk transfer of electricity for retail or wholesale purposes.

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