

MINUTES OF THE SENATE UTILITIES COMMITTEE

The meeting was called to order by Chairman Jay Emler at 9:30 A.M. on January 16, 2007 in Room 526-S of the Capitol.

Committee members absent:

Committee staff present: Raney Gilliland, Kansas Legislative Research Department  
Mike Corrigan, Revisor of Statutes  
Tatiana Lin, KSU Legislative Fellow  
Ann McMorris, Committee Secretary

Conferees appearing before the committee: Ken Frahm, Kansas Energy Council  
Lt. Gov. Mark Parkinson

Others in attendance: See attached list

Presentation by Kansas Energy Council

Co-Chairs Ken Frahm and Lt. Gov. Mark Parkinson presented the highlights of the 2007 Kansas Energy Plan. Mr. Frahm spoke on the side of the demand issues: (1) establishment of a utility-operated statewide energy education and conservation program; (2) amendment of the existing laws regarding the disclosure of information about the energy efficiency of new housing; and (3) local units of government are encouraged to adopt minimum energy efficiency standards for new construction. Lt. Gov. Mark Parkinson spoke on the side of the supply issues; (1) expansion of wind-generated electricity to 1,000 MW by 2015 for which the Legislature should consider the need for and type of additional incentives for development; and (2) development of IGCC coal power plants for which the Legislature should consider the need for and type of additional incentives for development. (Attachment 1)

Questions from the committee regarding the cost for transmission lines and how they would be funded; the position of CURB on a rate increase; KCC standards on this area of rate structure; defining externalities; reliability of wind energy; time span and studies being conducted.

Moved by Senator Reitz, seconded by Senator Francisco, conceptual introduction of two bills concerning establishing a statewide energy education program and amending current law in regard to disclosure of information about the energy efficiency of new housing. Motion carried.

Revisor will prepare the language for the two conceptual bills for consideration later this week.

Adjournment.

Respectfully submitted,

Ann McMorris, Secretary

Attachment - 1

SENATE UTILITIES COMMITTEE  
GUEST LIST

DATE: JANUARY 16, 2007

Name	Representing
Shari Albrecht	KDHE
BRANDON BOHNING (DAMRON)	KANSAS GAS, EMPIRE
Paul Johnson	Ks Cdn Conference
Conrad J. Toland	Intern for Sen. D. Schmidt
Duane Simpson	Ks Assoc. Ethanol Processors
Ben Cleaves	DOIS
Mike Reesat	ATMOS
Wes Ashton	Aquila
TOM DAY	KCC
TERRY HOLDREN	KANSAS FARM BUREAU
ALEX ZADINA	SIERRA CLUB
Mike Beam	Ks. Livestock Assn
Sheila Frahm	Ks Community Colleges
Ross Seiber	New Row Farm
Paul Sride	KCPD

**Testimony of the Kansas Energy Council to the  
Senate Utilities Committee, January 16, 2007**

**Presented by KEC Co-chairs Ken Frahm and Lt. Gov. Mark Parkinson**

KEC MEMBERSHIP

This year the Governor restructured the Council membership, adding 6 Legislative members, including the Chairs of the House Energy and Utilities Committee and the Senate Utilities Committee, and then expanding the leadership to include the Lt. Governor as co-chair along with Ken Frahm who serves as the presiding officer. *(Membership list to be handed out.)*

KEC MISSION

The KEC provides advice on energy policy to the Governor, Legislature, and the KCC, on an annual basis in the form of the Kansas Energy Plan (**available electronically on the KEC web site: [www.kec.kansas.gov](http://www.kec.kansas.gov)**). *(Copies to be handed out to all members of the Committee.)*

2007 KANSAS ENERGY PLAN HIGHLIGHTS

- 1 We have to look at energy policy in a comprehensive way, which means it is necessary to give **equal weight to both supply and demand issues.**
- 2 On the demand side, this year's plan focuses on the establishment of a utility-operated statewide energy education and conservation promotion program.
  - All electric utilities would be required to deliver energy education and conservation promotion information to their customers that addresses all aspects of energy consumption, including electricity, natural gas, and automobile fuel consumption.
  - The major utilities would be expected to develop and deliver this program and recover costs through the normal ratemaking process.
  - The smaller municipal electric utilities and electrical cooperatives would be assisted in the development of the program by the Kansas Energy Office.
  - The entire program would be developed with assistance of an advisory committee made up of consumer groups, utilities, and the State.
  - **We feel strongly that energy conservation must be the cornerstone of State policy, and we urge you to give conservation top priority as you consider energy policy issues this session.**
- 2 Also dealing with demand, the plan calls for the amendment of the existing laws regarding the disclosure of information about the energy efficiency of new housing.
  - The timing of the disclosure would be changed from closing to listing.
  - Realtors would be expected to cooperate with homebuilders to provide this information.
  - The disclosure form would be revised to present the information in a more user-friendly and quantitative way.
  - The Kansas Energy Office would be authorized to revise the form through

- the Rules and Regulations process as relevant national and international standards are updated.
- We think the proposed changes go a long way towards helping consumers make informed decisions that can save them significant energy costs over the years the home is in service. **Having energy efficiency information available at listing of new homes is very similar to having the EPA mileage stickers on new cars—both enable prospective buyers to make informed decisions about energy use.**
- 2 In a related recommendation, local units of government are encouraged to adopt minimum energy efficiency standards for new construction.
    - The Kansas Energy Office would be authorized to develop, in conjunction with representatives from local government and homebuilders, model energy efficiency codes for local units of government.
  - 3 On the supply side, other plan recommendations include:
    - Expansion of wind-generated electricity to 1,000 MW by 2015. **(It should be noted that the Governor has proposed an even more ambitious set of goals related to wind generation in her State of the State address.)**
      - The KCC should consider the advantages of wind as a clean and renewable energy source when considering rate requests by regulated utilities who opt to include wind-generated electricity in their portfolios.
      - **The Legislature should consider the need for and type of additional incentives for development of wind-generated electricity.**
    - Development of IGCC coal power plants, combined with carbon capture and sequestration, once the technologies have been proven.
      - The KCC should consider the advantages of IGCC coal power plants when considering rate requests by regulated utilities who opt to include electricity from “clean coal” in their portfolios.
      - **The Legislature should consider the need for and type of additional incentives for development of IGCC coal power plants.**
  - 2 The Kansas Energy Plan includes other recommendations that do not require legislative consideration, and we encourage you to read through the entire document when you have time.
  - 2 We conclude our testimony today by assuring you of our intentions to continue vigorously studying the energy issues facing our state and to bring more policy recommendations forward next year. Among the most important of these are potential recommendations dealing with bioenergy issues. We have already initiated our planning process on this important topic, working in a collaborative manner with the Kansas Bioscience Authority, KTEC, KSU, and Council members that represent agriculture, refining, biofuels production, marketing, and distribution.