

MINUTES OF THE SENATE UTILITIES COMMITTEE

The meeting was called to order by Chairman Jay Emler at 9:30 A.M. on February 19, 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, Legislative Fellow
Ann McMorris, Committee Secretary

Conferees appearing before the committee:

Others in attendance: See attached list

SB 128 - Requiring certain electric utilities to provide energy conservation information to consumers, establishing the energy conservation promotion education advisory group

Chair asked Paul Snider, Kansas City Power and Light, to explain the reasoning for the six amendments proposed in a balloon to **SB 128**. (Attachment 1)

David Springe, CURB, offered his objections to their proposed amendment 6.

Martha Smith, Kansas Manufactured Housing Association, presented the suggestions agreed to by the Kansas Association of Realtors, Kansas Manufactured Housing Association and the Kansas Building Industry Association to add additional members to the KEC education advisory group in **SB 128**. (Attachment 2)

Leslie Kaufman of the Kansas Cooperative Council provided written acknowledgment of these proposed additional members and added a representative for agriculture. (Attachment 3)

Considerable discussion on the definition of the representative for agriculture and consensus it should be a person engaged in agriculture production - a farmer.

Chair opened for action on

SB 128 - Requiring certain electric utilities to provide energy conservation information to consumers, establishing the energy conservation promotion education advisory group

Moved by Senator Francisco, seconded by Senator Petersen, amend SB 128 on page 1, line 18 by inserting the words "education and conservation" following the word 'with' and before the word 'standard'. Motion carried.

Moved by Senator Francisco, seconded by Senator Reitz, amend SB 128 page 3, line 6-8 "(h) The regulated utilities shall be expected to pursue cost recovery for design, development implementation, promotion, ongoing expense and evaluation costs of these programs through the normal rate making process." Motion carried.

Moved by Senator Taddiken, seconded by Senator Reitz, amend SB 128, page 1, line 15, approve the insertion of the word "require" after the word 'shall' and delete the language "develop and administer a program requiring". Motion carried.

Moved by Senator Reitz, seconded by Senator Petersen, amend SB 128, page 1, line 20, delete the word "shall" and insert the word "may". Motion carried.

Moved by Senator Petersen, seconded by Senator Pine, amend SB 128, page 2, line 17-18, delete the language "which shall be defined as a percentage of energy consumption." Motion carried.

CONTINUATION SHEET

MINUTES OF THE Senate Utilities Committee at 9:30 A.M. on February 19, 2007 in Room 526-S of the Capitol.

Moved by Senator Francisco, seconded by Senator Taddiken, amend SB 128, page 2, lines 38-41 (f) to read as follows: The Kansas energy office of the state corporation commission and the Kansas Energy Council, with consultation from electric utilities shall annually submit a report to the legislature Senate and House Utilities Committees . Motion carried

Moved by Senator Francisco, seconded by Senator Reitz, amend SB 128, page 3, line 5, by deleting the language "for sale to consumers on a fee for service basis". Motion carried.

Moved by Senator Apple, seconded by Senator Pine, amend SB 128 on page 1 following Sec. 1 (b)(10) by adding six new members to the Energy Conservation Education Advisory Group as proposed in (Attachment 2) with the member representing agriculture to be engaged in agricultural production. Motion carried.

Moved by Senator Lee, seconded by Senator Reitz, SB 128 be moved out favorably as amended. Motion carried.

SB 20 Kansas Underground Utility Damage Prevention Act

Senator Apple reported that two meetings had been held by the Subcommittee on SB 20 and a two tier system was recommended. Senator Francisco noted tier one does not include potable water and this needs more definition. No action taken as time did not permit.

Chairman Emler announced that he would request that SB 325 and SB 20 be blessed.

Moved by Senator Reitz, seconded by Senator Apple, SB 325 and SB 20 be blessed. Motion carried.

Respectfully submitted,

Ann McMorris, Secretary

Attachments - 3

SENATE UTILITIES COMMITTEE GUEST LIST

DATE: FEBRUARY 19, 2007

Name	Representing
- Tom Shimon	Kansas One-Call
Joe Duck	KCBPU
George R. Melling	KANSAS GAS SERVICE
Liz Brosius	Kansas Energy Council
Leo Haynos	KCC
Mark Schreiber	Westar Energy
Steve Johnson	Kansas Gas Service / ONEOK
Mark Tomb	LKM
PHIL WAGOS	KCPKO
Dave Spruige	Curbs
Jim BAETLING	ATMOS ENERGY
MIKE DEAMOND	ATMOS ENERGY
Phyllis Allen	KS Rural Telcos
Wanda (Sue) Smith	KMCLA
Whitney Jamm	KS Gas Service
Paul Sander	KCPPL

SENATE BILL No. 128

By Committee on Utilities

1-19

9 AN ACT concerning the state corporation commission; relating to pro-
10 viding energy conservation information to consumers by certain elec-
11 tric utilities; establishing the energy conservation education advisory
12 group.

13

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

15 Section 1. (a) The state corporation commission shall ~~develop and~~
16 ~~administer a program requiring~~ all electric public utilities doing business
17 in Kansas to deliver energy education and conservation promotion pro-
18 grams that are consistent with standards developed by the Kansas energy
19 office of the state corporation commission. The Kansas energy office of
20 the state corporation commission shall administer such program for mu-
21 nicipal electric utilities and electric cooperative utilities.

22 (b) There is hereby created the energy conservation education advi-
23 sory group for the purpose of developing statewide requirements, stan-
24 dards and guidelines for the energy education and energy conservation
25 promotion programs pursuant to this section.

26 (c) The energy conservation education advisory group shall be ap-
27 pointed by the Kansas energy office and shall consist of:

- 28 (1) One member to represent municipal electric utilities;
- 29 (2) one member to represent electric cooperative utilities;
- 30 (3) two members to represent investor-owned electric utilities;
- 31 (4) one member to represent investor-owned natural gas utilities;
- 32 (5) one member to represent municipal natural gas utilities;
- 33 (6) one member who is an employee of the citizens' utility ratepayer
34 board;

35 (7) one member who is an employee of Kansas state university in the
36 division of engineering extension;

37 (8) one member who is an employee of the Kansas housing resources
38 corporation;

39 (9) one member to represent the Kansas university transportation
40 center; and

41 (10) two members who are employed by the state corporation
42 commission.

43 (d) (1) The energy conservation education advisory group shall per-

Amendment 1:

require

Amendment 2:

may

1-2

1 form such duties as are prescribed by the Kansas energy office to imple-
 2 ment the provisions of this section, including prescribing information to
 3 be included in program standards, including, but not limited to:

4 (A) How energy customers can access energy conservation services,
 5 such as energy audits throughout the state;

6 (B) financing options for energy conservation improvements;

7 (C) existing state and federal government energy conservation pro-
 8 grams, including the Kansas weatherization assistance program and the
 9 Kansas energy efficiency program; and

10 (D) performance measures and goals.

11 (2) The energy conservation advisory group shall develop separate
 12 energy conservation education curricula for the general public, public
 13 school students, local governments, residential, commercial and utility
 14 classes and the transportation sector.

15 (3) The energy conservation education advisory group shall recom-
 16 mend performance measures and goals to monitor the effectiveness of
 17 the programs authorized pursuant to this section ~~which shall be defined~~
 18 ~~as a percentage of energy consumption.~~ The Kansas energy office of the
 19 state corporation commission shall consult with the energy conservation
 20 education advisory group before adopting baseline data and goals, data
 21 collection methodology and reporting formats.

22 (e) On and after July 1, 2008, each electric utility, municipal electric
 23 utility and electric cooperative utility doing business in Kansas shall pro-
 24 vide such utility's consumers with information concerning energy con-
 25 servation opportunities and options in accordance with and subject to the
 26 standards prescribed by the energy conservation education advisory group
 27 and the Kansas energy office of the state corporation commission, which
 28 shall include, but not be limited to:

29 (1) Increasing general awareness and understanding of energy con-
 30 servation opportunities;

31 (2) information designed to encourage direct energy consumers to
 32 increase their understanding of conservation opportunities specific to
 33 such consumer's energy-use type; and

34 (3) information on energy conservation measures prescribed in the
 35 Kansas energy efficiency disclosure form prepared and disseminated by
 36 the state corporation commission pursuant to K.S.A. 2006 Supp. 66-1228,
 37 and amendments thereto.

38 (f) ~~Electric utilities, municipal electric utilities and electric coopera-~~
 39 ~~tive utilities, shall annually submit a report to the legislature, the Kansas~~
 40 ~~energy office of the state corporation commission and the Kansas energy~~
 41 ~~council on or before the beginning of the regular session of the legislature~~
 42 ~~beginning in 2010 on the performance measures and goal outcomes of~~
 43 ~~the energy education and energy conservation promotion programs pre-~~

Amendment 3:

Amendment 4:

*The Kansas energy office of the state corporation commission and the
 Kansas Energy Council, with consultation from electric*

1-3

1 scribed by this section.

2 (g) Nothing in this section shall be construed to prohibit an electric
3 utility, municipal electric cooperative utility or electric cooperative utility
4 from developing additional energy efficiency and conservation services
5 for sale to consumers on a fee for service basis.

6 (h) ~~The regulated utilities shall be expected to pursue cost recovery
7 for development of these programs through the normal rate-making
8 process.~~

9 (i) The Kansas energy office of the state corporation commission is
10 hereby authorized to enter into contracts with the state electric cooper-
11 ative association or the state municipal utility association, or both, or with
12 a not-for-profit or educational entity, to develop energy education and
13 energy conservation promotion programs that are consistent with state-
14 wide standards developed for such programs.

15 Sec. 2. This act shall take effect and be in force from and after its
16 publication in the statute book.

Amendment 5:

Amendment 6:

The state corporation commission shall authorize recovery of the design, development, implementation, promotion, ongoing expenses and evaluation costs prudently incurred by regulated utilities to comply with this section.

SENATE BILL No. 128

By Committee on Utilities

1-19

9 AN ACT concerning the state corporation commission; relating to pro-
10 viding energy conservation information to consumers by certain elec-
11 tric utilities; establishing the energy conservation education advisory
12 group.
13

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

15 Section 1. (a) The state corporation commission shall develop and
16 administer a program requiring all electric public utilities doing business
17 in Kansas to deliver energy education and conservation promotion pro-
18 grams, ~~that are consistent with standards developed by the Kansas energy~~
19 ~~office of the state corporation commission.~~ The Kansas energy office of
20 the state corporation commission shall administer such program for mu-
21 nicipal electric utilities and electric cooperative utilities.

22 (b) There is hereby created the energy conservation education advi-
23 sory group for the purpose of developing ~~statewide requirements, stan-~~
24 ~~dards and~~ guidelines for the energy education and energy conservation
25 promotion programs pursuant to this section.

26 (c) The energy conservation education advisory group shall be ap-
27 pointed by the Kansas energy office and shall consist of:

- 28 (1) One member to represent municipal electric utilities;
- 29 (2) one member to represent electric cooperative utilities;
- 30 (3) two members to represent investor-owned electric utilities;
- 31 (4) one member to represent investor-owned natural gas utilities;
- 32 (5) one member to represent municipal natural gas utilities;
- 33 (6) one member who is an employee of the citizens' utility ratepayer
34 board;
- 35 (7) one member who is an employee of Kansas state university in the
36 division of engineering extension;
- 37 (8) one member who is an employee of the Kansas housing resources
38 corporation;
- 39 (9) one member to represent the Kansas university transportation
40 center; and
- 41 (10) two members who are employed by the state corporation
42 commission.

43 d) 1) The energy conservation education advisory group shall per-

(11) one member to represent the residential construction industry

(12) one member to represent the factory built housing industry

(13) one member to represent the real estate industry

(14) one member who is a certified energy star inspector

(15) one member who represents the mechanical heating, ventilation and air conditioning contractors (K.S.A. 12-1541)

(16) one member who represents agricultural and/or agribusiness industry

February 16, 2007



Kansas Cooperative Council
816 S.W. Tyler St., Suite 300
Topeka, Kansas 66612

Phone: 785-233-4085
Fax: 785-233-1038
Toll Free: 888-603-COOP (2667)
Email: council@kansasco-op.coop

www.kansasco-op.coop

TO: Sen. Jay Emler, Chairman
Senate Utilities Committee

FROM: Leslie Kaufman, Executive Director
Kansas Cooperative Council

A handwritten signature in blue ink, appearing to read 'Leslie', is written over the printed name of Leslie Kaufman.

RE: **SB 128 – Membership composition of the Kansas Energy Conservation Education Advisory Group – adding an ag rep.**

We understand you are scheduled to consider SB 128 for possible committee action on Monday, February 19, 2007. As you know, the Council did not comment on this bill at the committee hearing. Since that time, it has come to our attention that the make-up of the Kansas Energy Conservation Education Advisory Group (Advisory Group) lacks representation from the agricultural sector.

As we understand the bill, the Energy Conservation Education Advisory Group will play a key role in developing performance measures, goals and standards for energy education and conservation promotion programs. Included in these strategies will be information related to specific consumer's energy-use type.

In reviewing the Advisory Group's statutory charge and the panel's membership listing, two things stood out to us. First, we noticed the group lacked representation from the agricultural sector and secondly, apart from the CURB representative, there is not much representation from those that are actually end-users/consumers of energy sources. From our perspective, if the Advisory Group is going to be developing standards for programs to educate energy users, it would seem useful for the Group to know such things as:

- Who these users are;
- How they utilize various forms of energy;
- What their energy needs are;
- What their needs are likely to be in the future;
- The various energy sources they rely on; and
- What types of information delivery systems work within their industry?

Thus, having someone from that industry/user class would seem to us to be a wise addition to this Advisory Group.

We understand there have been suggestions to add additional members to the Advisory Group and that these suggestions have been brought to you by the Kansas Association of Realtors, Kansas Manufactured Housing Association and the Kansas Building Industry Association. We have been in contact with them and are supportive of their additions, as well as the inclusion of a representative from agriculture/agribusiness. It is my understanding that they may have even incorporated the agriculture member in their draft balloon. If not, I have attached a copy of their balloon with the addition of such a representative of the agricultural sector.

If you have any questions, please feel free to contact me on my cell phone at 785-220-4068 (local Topeka cell number). We certainly appreciate the opportunity to bring forward this concern.

Sincerely,
Leslie Kaufman, Executive Director
Kansas Cooperative Council

Senate Utilities Committee
February 19, 2007
Attachment 3-1

The Mission of the Kansas Cooperative Council is to promote, support and advance the interests and understanding of agricultural, utility, credit and consumer cooperatives and their members through legislation and regulatory efforts, education and public relations.