

MINUTES OF THE SENATE UTILITIES COMMITTEE

The meeting was called to order by Chairman Jay Emler at 9:30 A.M. on March 20, 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

Paul Snider, Kansas City Power & Light announced the release of information about a collaborative agreement with Sierra Club, Kansas City Power & Light and concerned citizens of Platte County to reduce emissions and spur clean energy development. (Attachment 1)

Chairman Emler opened for committee discussion and possible action on:

HB 2127 - Electric generation facilities, parallel generation contracts.

Senator Taddiken, Chairman of the Senate Agriculture Committee, reported the Ag Committee had taken action on **HB 2145** by rolling **HB 2127** into **HB 2145** and passed **HB 2145** out favorably as amended.

He noted **HB 2145** as amended would provide for a pilot project for Cloud County Community College and funding of \$50,000 per year for 14 years from the Pump Control Inspection Fee fund. Dodge City Community College also wanted to be eligible. Due to the action taken by the Senate Ag Committee, the Senate Utilities Committee did not take any action on **HB 2127**.

Approval of Minutes

Moved by Senator Reitz, seconded by Senator Petersen, approve the minutes of the Senate Utilities Committee meeting on March 15, 2007, with the following correction in the last paragraph – prepare a letter to LCC and the Joint Committee on State Building Construction (not - State Building Code). Motion carried.

Adjournment.

Respectfully submitted,

Ann McMorris, Secretary

Attachments - 1

FOR RELEASE: 20 March 2007
Contact: Josh Dorner, Sierra Club, (202) 675-2384
Susan Brown, CCPC, (816) 450-8948
Mike Deggendorf, KCP&L, (media), (816) 556-2104
Todd Kobayashi, KCP&L, (investor), (816) 556-2904

**Environmental, Community Groups Announce
Important Energy Agreement with Major Utility**
*Sierra Club, Kansas City Power & Light and Concerned Citizens of Platte County
Put Forward Agreement to Reduce Emissions, Spur Clean Energy Development*

(Kansas City, Mo. March 20, 2007) — In a groundbreaking agreement that can serve as a model for environmental groups and utilities working together, the Sierra Club, Kansas City Power & Light (KCP&L), and the Concerned Citizens of Platte County (CCPC) have agreed on a set of initiatives to offset carbon dioxide (CO₂) and reduce other emissions for the Kansas City-based utility. Under the agreement announced today, KCP&L agrees to pursue offsets for all of the global warming emissions associated with its new plant through significant investments in energy efficiency and renewable energy, and cut pollution from its existing plants in order to improve air quality in the Greater Kansas City metro area. The agreement proposes other investments in clean energy, significant decreases in emissions and resolves four appeals pending between the Sierra Club, CCPC, and KCP&L. Full implementation of the terms of the agreement will necessitate approval from the appropriate authorities, as some of the initiatives in this agreement require either enabling legislative policy or regulatory approval.

“We believe there is significant potential through new energy technology and innovative approaches to improve the environment and offer additional value to our customers across the Kansas City region. This is especially true with energy efficiency and wind generation, which we have been implementing already through our Comprehensive Energy Plan developed in 2005,” said Mike Chesser, Chairman and CEO of Great Plains Energy. “We look forward to collaborating with the Sierra Club and other stakeholders as we pursue these exciting new opportunities.”

“This agreement is a win for our climate, for the environment, and for the residents of the Kansas City area,” said Carl Pope, Sierra Club Executive Director. “It is the latest sign that smart energy solutions like wind power and energy efficiency are gathering steam. We look forward to working with KCP&L to help the Midwest realize its full potential as a leader in the clean energy technologies that will fuel the economy of tomorrow.”

The most significant element of the agreement is the unprecedented commitment by KCP&L to pursue the offset of carbon emissions from its proposed Iatan 2 generating station, located near Weston, Missouri. The estimated 6,000,000 tons of annual carbon dioxide emissions are targeted to be offset by adding 400 megawatts (MW) of wind power; 300 MW of energy efficiency; and a yet to be determined combination of wind, efficiency, or the closing, altering, re-powering or efficiency improvements at any of its generating units. These proposed offsets will be partially implemented by 2010 and fully implemented by 2012. The parties are also agreeing to work together on a series of regulatory and legislative initiatives to achieve an overall reduction in KCP&L’s carbon dioxide emissions of 20 percent by 2020.

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Attachment 1-1

“This agreement shows that we can work together to curb air pollution, combat global warming, and protect our local communities.” said Susan Brown, chairperson for Concerned Citizens of Platte County. “The renewable energy investments in this agreement can revitalize the region’s manufacturing economy and offer rural landowners a new source of steady income from wind turbines located on their property. The large investment in energy efficiency will also help everyone use less energy — reducing emissions and saving consumers and businesses money each month.”

In addition to offsetting its global warming emissions, residents of the Kansas City area will benefit from reduced emissions of criteria pollutants at KCP&L’s existing Iatan 1 and La Cygne plants. The agreement calls for annual reductions in nitrogen oxides, sulfur dioxide and particulate matter estimated to total some 9,100 tons. Within the next year, KCP&L will also work with the Sierra Club to study options, including retiring, re-powering or upgrading its Montrose power plant. Finally, KCP&L will fund several community projects including: recommendations of the Kansas City Climate Protection Committee targeting global warming reduction measures; additional monitoring of soot and smog pollution in the metro area; and an upgrade to the drinking water infrastructure in Weston, a community near the Iatan station.

In another important step for clean energy, KCP&L will also file for approval of a net metering program within six months. Net metering allows a utility’s customers to generate small amounts of renewable energy on-site, such as from rooftop solar panels or a small wind turbine, and sell any excess energy back to the utility.

KCP&L’s Comprehensive Energy Plan was collaboratively constructed with a broad group of stakeholders and includes investments in new generation (including renewable wind energy); innovative efficiency, affordability and demand response programs; infrastructure improvements; and proactive environmental investments. This balanced approach will enable KCP&L to satisfy growing energy demands across the region for years to come while improving environmental stewardship.

“KCP&L’s current Comprehensive Energy Plan addresses the energy needs and emissions reductions for the Kansas City region with actions into the year 2010. This Agreement is the start of the next set of discussions with stakeholders as we develop our plans for the 2010-2015 timeframe,” said Bill Downey, President and CEO of KCP&L. “It reflects the ongoing atmosphere of collaboration we established in developing the CEP, and proactively resolves differences. We look forward to working with all stakeholders to secure a long-term energy supply for Kansas City while improving air quality.”

This agreement builds on the success of a 2006 agreement that Sierra Club brokered with City Water Light and Power of Springfield, IL. That agreement stipulated that the municipal utility retire one of the dirtiest coal plants in the nation, purchase 120 MW of wind, invest four million dollars in energy efficiency, and significantly decrease emissions of soot, smog and mercury pollution. In addition, all of the government buildings owned by the state of Illinois are to be powered with green electricity. Last week, CWLP announced that it stands to at least break even and may reap significant profits from its purchase and resale the wind power investments required in their agreement.

“We were and continue to be very pleased with the agreement we reached in Springfield,” commented Pope. “Our exciting new agreement with KCP&L raises the bar even further and demonstrates just how much we can achieve when utilities and groups like the Sierra Club work together.”

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About the Sierra Club

Sierra Club, founded in 1892, is the nation's oldest and largest grassroots environmental organization with over 1.3 million members and supporters. For the past two years the Great Rivers Environmental Law Center has represented Sierra Club and CCPC in their appeal of the Missouri PSC approval of the Iatan 2 power plant. For the past year Washington University Interdisciplinary Law Clinic has represented Sierra Club in its appeal of the air permit Missouri DNR issued for Iatan 2.

About the Concerned Citizens of Platte County

Concerned Citizens of Platte County, Inc. (CCPC) is a group concerned about quality of life, children's health and property values in Platte County, Missouri and the surrounding region. The organization was incorporated in the early 1990's.

About Kansas City Power & Light

Headquartered in Kansas City, Mo., KCP&L (www.kcpl.com) is a leading regulated provider of electricity in the Midwest. KCP&L is a wholly owned subsidiary of Great Plains Energy Incorporated (NYSE: GXP), the holding company for KCP&L and Strategic Energy L.L.C., a competitive electricity supplier.

Information Concerning Forward-Looking Statements

Statements made in this release that are not based on historical facts are forward-looking, may involve risks and uncertainties, and are intended to be as of the date when made. Forward-looking statements include, but are not limited to, statements regarding projected delivered volumes and margins, the outcome of regulatory proceedings, cost estimates of the comprehensive energy plan and other matters affecting future operations. In connection with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, Great Plains Energy is providing a number of important factors that could cause actual results to differ materially from the provided forward-looking information. These important factors include: future economic conditions in the regional, national and international markets, including but not limited to regional and national wholesale electricity markets; market perception of the energy industry and Great Plains Energy; changes in business strategy, operations or development plans; effects of current or proposed state and federal legislative and regulatory actions or developments, including, but not limited to, deregulation, re-regulation and restructuring of the electric utility industry; decisions of regulators regarding rates its subsidiaries can charge for electricity; adverse changes in applicable laws, regulations, rules, principles or practices governing tax, accounting and environmental matters including, but not limited to, air and water quality; financial market conditions and performance including, but not limited to, changes in interest rates and in availability and cost of capital and the effects on pension plan assets and costs; credit ratings; inflation rates; effectiveness of risk management policies and procedures and the ability of counterparties to satisfy their contractual commitments; impact of terrorist acts; increased competition including, but not limited to, retail choice in the electric utility industry and the entry of new competitors; ability to carry out marketing and sales plans; weather conditions including weather-related damage; cost, availability, quality and deliverability of fuel; ability to achieve generation planning goals and the occurrence and duration of unplanned generation outages; delays in the anticipated in-service dates and cost increases of additional generating capacity; nuclear operations; ability to enter new markets successfully and capitalize on growth opportunities in non-regulated businesses and the effects of competition; application of critical accounting policies, including, but not limited to, those related to derivatives and pension liabilities; workforce risks including compensation and benefits costs; performance of projects undertaken by non-regulated businesses and the success of efforts to invest in and develop new opportunities; the ability to successfully complete merger, acquisitions or divestiture plans (including the acquisition of Aquila, Inc., and the sale of assets to Black Hills Corporation); and other risks and uncertainties. Other risk factors are detailed from time to time in Great Plains Energy's most recent quarterly report on Form 10-Q or annual report on Form 10-K filed with the Securities and Exchange Commission. This list of factors is not all-inclusive because it is not possible to predict all factors.

KCPL: Paul Snider

913-439-9723

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