

MINUTES OF THE SENATE FEDERAL AND STATE AFFAIRS COMMITTEE

The meeting was called to order by Chairman Pete Brungardt at 3:35 p.m. on April 30, 2008 at the rail on the third floor of the Capitol.

All members were present.

Committee staff present:

Kathie Sparks, Kansas Legislative Research Department
Dennis Hodgins, Kansas Legislative Research Department
Connie Burns, Committee Assistant

Others attending:

See attached list.

HB 2802 - Energy conservation and electric generation, transmission and efficiency and air emissions

Chairman Brungardt opened the hearing on **HB 2802**.

The committee substituted the provisions in the bill with language passed by the House. The bill if the veto of **House Sub for 148** is overridden will:

1. Kansas Energy Option
 - The Kansas City Board of Public Utilities, then Kansas cooperative and Kansas municipalities are granted an option to purchase up to 200 MW currently allocated to non-Kansas utilities
 - If exercised, this option would double the Kansas power purchased from the project
 - If option not fully exercised for up to 200 MW by KCK BPU, the balance of the 200 MW will be available to other Kansas municipalities and/or co-ops, owning or operating electric generation assets
2. Sunflower is required to meet the renewable portfolio standard percentages, as required in **SB 148**, four years early.
3. Sunflower will become a member of the The Climate Registry (TCR), prepare a carbon dioxide gas emissions inventory using the protocols developed by TCR and will submit a report of its inventory to the legislature not later than December 1, 2008
4. KDHE shall propose carbon dioxide emission requirements by January 1, 2009.
5. The schools of engineering, from the Regents institutions, shall, upon request from the KS Electric Generation Science & Technology Commission, KS Energy Council, KBA, KCC, or KDHE, evaluate innovative renewable or distributed generation, or transmission technologies, patented by Kansas, and report on their technological feasibility to KTEC and KDOC for possible commercial development.
6. Allow regulated utilities to recover \$2 of their uncollectible debts for every \$1 invested in the westernization assistance program account, up to a maximum of 5% of their uncollectible debts.
7. A System Benefit Charge, in the amount of \$.02 per month per meter, will be submitted by all electric utilities serving retail consumers to the Kansas energy Office for the system Benefits Charge Account:
 - The first \$250,000 will be divided as matching funds to the National Institute for Strategic Technology Acquisition and Commercialization for the development of the Sunflower Integrated Bioenergy Center
 - The balance of funds received shall be split as follows: 20% - Research, 20% - Technology assistance and education, 60% - Weatherization assistance program
8. Restriction on KDHE to not promulgate any rules or regulations that are more stringent, restrictive or expansive than required by the federal clean air act sunsets on the second Monday in January, 2011.

Committee discussion and questions followed the bill explanation.

Chairman Brungardt closed the hearing on **HB 2802**.

Final Action:

Senator Vratil moved to pass Senate Sub for HB 2802 out favorable. Senator Gilstrap seconded the motion. The motion carried. Senator Francisco was recorded as a no vote.

The meeting was adjourned at 4:00 pm. The next scheduled committee meeting is May 1, 2008.