

MINUTES OF THE SENATE UTILITIES COMMITTEE

The meeting was called to order by Vice Chairman Pat Apple at 9:40 A.M. on January 30, 2008 in Room 526-S of the Capitol.

Committee members absent: Senator Emler (excused)

Committee staff present: Raney Gilliland, Kansas Legislative Research Department
Cindy Lash, Kansas Legislative Research Department
Mike Corrigan, Revisor of Statutes
Ann McMorris, Committee Secretary

Conferees appearing before the committee:
Ken Frahm, Co-Chair, Kansas Energy Council

Others in attendance: See attached list

Introduction of bills

Senator Lee asked for introduction of a conceptual bill on electric generation.

Moved by Senator Petersen, seconded by Senator Reitz, a conceptual bill on electric generation be introduced. Motion carried.

Kansas Energy Council

Ken Frahm, Co-Chair, Kansas Energy Council, reviewed the composition of the 35 member KEC energy policy advisory group. He said the group includes three House and three Senate members. This policy committee develops background information and policy recommendations on priority topics. The Kansas Energy Plan for 2008 includes 7 recommendations on biomass & biofuels, energy conservation and efficiency and energy education.

Kansas Energy Plan for 2008

Biomass and Biofuels recommendations involve ethanol and biodiesel which are administered by state agencies. The agencies are encouraged to review existing biofuel incentives and report on the effectiveness and potential problems/inefficiencies.

Energy conservation and efficiency recommendations include (1) utility-sponsored programs; (2) residential structures; and (3) public structures. Residential structures involve weatherization assistance (Mr. Frahm suggested a bill should be introduced to cover this); existing low-interest loan program (KEEP) should be expanded; promote adoption of model energy efficiency codes; adopt legislation requiring all new publicly funding buildings to meet minimum energy efficiency standards.

Energy education recommendation - provide funding to KACEE to support energy conservation education in public schools.

2008 committees - He listed the objectives of the Midwestern Governor's Association Committee and Electricity Committee. (Attachment 1)

Copies of the 2008 Energy Plan and the 2008 Kansas Energy Chart Book were distributed to the committee. These are available on KEC website <http://www.kec.kansas.gov/>

Senators Taddiken and Lee commented on their participation on the KEC energy policy committee.

Senator Reitz noted the issues under consideration by KEC were in a timeline and needed to be addressed. Other members inquired about funding for KACEE and about SB 452 not including city and county buildings.

Adjournment.

Respectfully submitted,
Ann McMorris, Secretary
Attachments - 1

SENATE UTILITIES COMMITTEE GUEST LIST

DATE: JANUARY 30, 2008

Name	Representing
- Ray Hammarlund	KCC
Ciz Brosius	KCC
Ken Frahm	KEC
Ernie Lehman	Midwest Energy
Tom Thompson	Sierra Club
JAMES ROBERTS	GPACE
Sam Funk	GPACE
Kathryn Wigen	KBHA
Mick Urban	Kansas Gas Service
Steve Johnson	ONEOK
Ron Seeber	Ken Law Firm
Sandy Braden	GBRA

Kansas Energy Council

2008 Recommendations

Ken Frahm, KEC Co-Chair

**Presentation before the Senate
Utilities Committee
January 30, 2008**

Kansas Energy Council (KEC)

- KEC is a 35-member energy policy advisory group, initially established by former Governor Graves and reconstituted by Governor Sebelius.
- Develops background information and policy recommendations on priority topics annually, culminating in the *Kansas Energy Plan*, delivered to Governor, Legislature, and KCC prior to the legislative session.

Kansas Energy Plan 2008

- This year's plan contains background information—including a summary of existing state and federal policies and programs—and 8 recommendations on biomass & biofuels, energy conservation & efficiency, and energy education.

Kansas Energy Plan 2008

Biomass and Biofuels

4-1

Ethanol and Biodiesel

1. Encourage State agencies currently administering biofuel incentives to coordinate an internal program review of existing biofuel incentives and report to Legislative Committees on both the effectiveness and potential problems, inefficiencies.
 - Commerce staff reported to House Energy and Utilities on January 16, 2008.

Kansas Energy Plan 2008

Energy Conservation and Efficiency

5-1

Utility-sponsored Programs

1. Monitor the KCC's ongoing energy efficiency investigations to determine need for further KEC investigation of rate design and other energy efficiency issues.
 - Comments and reply comments due January 2008 on KCC Dockets 08-GIMX-442-GIV and 08-GIMX-441-GIV.

Kansas Energy Plan 2008

Energy Conservation and Efficiency

1-6

Residential Structures

1. The State of Kansas should provide \$2 million in annual funding to expand weatherization assistance to low-income households provided through the Kansas Weatherization Assistance Program (WAP).

Kansas Energy Plan 2008

Energy Conservation and Efficiency

1-7

Residential Structures

2. The Kansas Housing Resources Corporation (KHRC) should expand existing low-interest energy efficiency loan program (KEEP) to facilitate adoption of energy conservation improvements by all Kansas homeowners.
 - KHRC revised program in December 2007 to raise maximum amount of loan and eliminate income restrictions. Since then, number of applications has increased.

Kansas Energy Plan 2008

Energy Conservation and Efficiency

8-1

Residential Structures (also C&I)

3. The KCC's Energy Programs Division should develop a program to promote adoption of model energy efficiency codes by local units of government.
 - Energy Programs Division staff will coordinate with Kansas League of Municipalities and establish advisory group.

Kansas Energy Plan 2008

Energy Conservation and Efficiency

1-9

Public Structures

1. The Kansas Legislature should adopt legislation requiring all new publicly funded buildings to meet minimum energy efficiency standards, as recommended by the Special Committee on Energy, Natural Resources, and the Environment.
 - Senate Bill No. 452, Sec. 6.

Kansas Energy Plan 2008

Energy Education

1-10

K-12 Education

1. The State should provide \$30,000 in annual funding to the Kansas Association for Conservation and Environmental Education (KACEE) to support energy conservation education in public schools (K-12).

Kansas Energy Council

2008 Committees

1-11

Midwestern Governor's Association (MGA) Committee

- Objectives include (1) understanding the goals and objectives of the MGA Platform and Accord and (2) evaluating suggested policy options and considering need for additional policies to meet stated goals.

Kansas Energy Council

2008 Committees

1-12

Electricity Committee

Objectives are:

- 1) to study existing electric generation on a utility-by-utility (unit-by-unit) basis,
- 2) understand considerations that drove baseload investment,
- 3) identify carbon emissions from existing units and estimate emissions from future options, *and*
- 4) understand how utilities will meet expected demand on a 5- to 10-year planning horizon.

Additional Information

- Available on the KEC web site:
<http://www.kec.kansas.gov/>
- *Kansas Energy Chart Book 2008* contains graphs, tables, and charts related to content in *Kansas Energy Plan*:
http://www.kec.kansas.gov/chart_book.htm

Additional Information

If you have questions, please contact:

Liz Brosius, KEC Director (271-3264;
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Ray Hammarlund, KCC Energy Programs
Division Director (271-3179;
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Kansas Energy Council
2008 Kansas Energy Plan
Overview of Recommendations

Chapter 5: Biomass and Biofuels, Sections 5.1 and 5.2

1. Encourage State agencies currently administering biofuel incentives to coordinate an internal program review of existing biofuel incentives and report to Legislative Committees on both the effectiveness and potential problems, inefficiencies.

Chapter 9: Energy Conservation and Efficiency, Section 9.1

1. Monitor the Kansas Corporation Commission's ongoing energy efficiency investigations to determine need for further KEC investigation of rate design and other energy efficiency issues.

Chapter 9: Energy Conservation and Efficiency, Section 9.2

1. The State of Kansas should provide \$2 million in annual funding to expand weatherization assistance to low-income households provided through the Kansas Weatherization Assistance Program (WAP).
2. The Kansas Housing Resources Corporation (KHRC) should expand existing low-interest energy efficiency loan program (KEEP) to facilitate adoption of energy conservation improvements by all Kansas homeowners.
3. The KCC's Energy Programs Division should develop a program to promote adoption of model energy efficiency codes by local units of government.

Chapter 9: Energy Conservation and Efficiency, Section 9.3

1. The KCC's Energy Programs Division should develop a program to promote adoption of model energy efficiency codes by local units of government. *Note: This recommendation is also listed in Section 9.2.*

Chapter 9: Energy Conservation and Efficiency, Section 9.4

1. The Kansas Legislature should adopt legislation requiring all new publicly funded buildings to meet minimum energy efficiency standards, as recommended by the Special Committee on Energy, Natural Resources, and the Environment.

Chapter 12: Energy Education, Section 12.1

1. The State should provide \$30,000 in annual funding to KACEE to support energy conservation education in Kansas public schools (K-12).

1-15