

MINUTES OF THE HOUSE ENERGY AND UTILITIES COMMITTEE

The meeting was called to order by Chairman Carl Holmes at 9:00 a.m. on February 10, 2009, in Room 783 of the Docking State Office Building.

All members were present.

Committee staff present:

Melissa Doeblin, Office of the Revisor of Statutes
Mary Torrence, Office of the Revisor of Statutes
Mary Galligan, Kansas Legislative Research Department
Cindy Lash, Kansas Legislative Research Department
Renaë Hansen, Committee Assistant

Conferees appearing before the committee: None

Others attending:

Thirty-nine including the attached list.

Energy Emissions Issues.

Action on:

HB 2016 - Establishing limits for mercury, nitrogen oxide and sulfur dioxide from certain emissions units.

Representative Tom Moxley reported to the committee, (Attachment 1), the Emissions Issues sub-committee report on **HB 2016.**

Representative Tom Moxley moved to accept the subcommittee report on **HB 2016.** Seconded by Representative Annie Kuether. Motion carried.

Action on:

HB 2033 - Requiring utilities to become members of the climate registry.

Representative Tom Moxley reported to the committee, (Attachment 1), the Emissions Issues sub-committee report on **HB 2033**

Representative Tom Moxley moved to accept the subcommittee report on **HB 2033.** Seconded by Representative Vince Wetta. Motion carried.

Action on:

HB 2034 - Requiring utilities to develop means of reducing greenhouse gas emissions.

Representative Tom Moxley reported to the committee, (Attachment 1), the Emissions Issues sub-committee report on **HB 2034**

Comments were made by Representative Annie Kuether.

Representative Tom Moxley moved to accept the subcommittee report on **HB 2034.** Seconded by Representative Joe Seiwert. Motion carried.

CONTINUATION SHEET

Minutes of the House Energy And Utilities Committee at 9:00 a.m. on February 10, 2009, in Room 783 of the Docking State Office Building.

KCC issues.

Action on:

HB 2012 - Establishing a deadline for the court of appeals to decide appeals from administrative orders of the state corporation commission.

Representative Vern Swanson reported to the committee, (Attachment 2), the Emissions Issues sub-committee report on **HB 2012**. He noted that **HB 2012** should be combined with **HB 2017** and returned to full committee for discussion.

Comments were made by Representative Cindy Neighbor, Revisor Melissa Doeblin, and Researcher Cindy Lash.

Questions were asked by Representative Tom Sloan.

Representative Vern Swanson moved that **HB 2012** not be recommended by committee. Seconded by Representative Tom Moxley.

Discussion by Representatives: Tom Sloan, Carl Holmes, Vern Swanson, Tom Moxley, Forrest Knox,

Motion Carried.

Action on:

HB 2017 - Establishing a deadline for decisions by the state corporation commission.

Representative Vern Swanson reported to the committee, (Attachment 2), the Kansas Corporation Commission, sub-committee report on **HB 2017**.

Comments were made by Representatives: Tom Sloan, and Vern Swanson.

Representative Vern Swanson moved to change the number of days for the KCC to respond to 180 days on **HB 2017**. Seconded by Representative Joe Seiwert.

Discussion ensued by Representatives: Annie Kuether, Tom Sloan, Vern Swanson, Tom Moxley, Milack Talia,

Motion Carried.

Representative Milack Talia moved to amend (Attachment 3), on **HB 2017**. Seconded by Representative Tom Moxley.

Discussion ensued by Representatives: Vern Swanson, Josh Svaty, Carl Holmes, Annie Kuether,

Motion Carried.

Representative Vern Swanson moved to recommend for adoption **HB 2017** as amended. Seconded by Representative Annie Kuether. Motion Carried.

Action on:

HB 2014 - Granting authority to the Kansas Electric Transmission Authority (KETA) to establish and charge fees.

CONTINUATION SHEET

Minutes of the House Energy And Utilities Committee at 9:00 a.m. on February 10, 2009, in Room 783 of the Docking State Office Building.

Representative Vern Swanson reported to the committee, (Attachment 2), the Kansas Corporation Commission, sub-committee report on **HB 2014**.

Representative Vern Swanson moved that the amendment, (Attachment 4), to **HB 2014** be accepted. Seconded by Representative Annie Kuether. Motion carried.

Discussion ensued by: Representative Tom Sloan and Researcher Mary Galligan.

Further discussion ensued by Representatives: Tom Sloan, Annie Kuether, Carl Holmes,

Representative Vern Swanson moved to recommend for adoption **HB 2014** as amended. Seconded by Representative Annie Kuether. Motion carried.

Action on:

HB 2035 - Permitting members of large electric cooperatives to elect to be exempt from regulation by the KCC.

Representative Vern Swanson reported to the committee, (Attachment 2), the Kansas Corporation Commission, sub-committee report on **HB 2035**.

Questions ensued and comments were made on the proposed balloon for **HB 2035**, (Attachment 5) by Representatives: Cindy Neighbor, Annie Kuether, Tom Moxley, Vern Swanson.

Representative Vern Swanson moved that **HB 2035** be amended as presented (Attachment 5). Seconded by Representative Forrest Knox.

Comments on the motion were made by Representative Forrest Knox.

Motion Carried.

Representative Tom Sloan moved to amend **HB 2035**, (Attachment 6), page 2. Seconded by Representative Forrest Knox.

Discussion ensued by Representatives: Forrest Knox, Josh Svaty, Margaret Long, Annie Kuether, Tom Sloan, and Carl Holmes.

Motion carried.

Representative Josh Svaty moved to amend **HB 2035** page 2, line 4, striking the words. "Voting on the proposition". Seconded by Representative Annie Kuether.

Discussion ensued by Representatives: Joe Seiwert, Forrest Knox, Tom Moxley, Tom Sloan,

Motion to amend, failed.

Representative Josh Svaty moved to amend **HB 2035** page 2, line 4, " a vote of not less than 5% of the aggregate members of the cooperative". Seconded by Representative Margaret Long.

Discussion ensued by Representatives: Josh Svaty, Tom Sloan, Joe Seiwert, Forrest Knox, Annie Kuether, Cindy Neighbor, and Revisor Mary Torrence.

Representative Forrest Knox called the question on the amendment.

Representative Josh Svaty closed on the amendment.

Motion failed 8-12.

CONTINUATION SHEET

Minutes of the House Energy And Utilities Committee at 9:00 a.m. on February 10, 2009, in Room 783 of the Docking State Office Building.

Representative Annie Kuether commented about **HB 2035**.

Representative Vern Swanson moved to recommend for adoption **HB 2035** as amended. Seconded by Representative Joe Seiwert.

Discussion ensued by Representatives: Josh Svaty.

Motion passed, 11-8.

Action on:

HB 2021 - Listing factors to be weighed by the state corporation commission when granting a certificate of public convenience to an electric utility.

Representative Josh Svaty noted that he was abstaining from any work on **HB 2021**.

Representative Vern Swanson reported to the committee, (Attachment 2), the Kansas Corporation Commission, sub-committee report on **HB 2021**

Representative Tom Sloan explained a proposed amendment to **HB 2021**.

Representative Tom Sloan moved to amend **HB 2021**, (Attachment 7). Seconded by Representative Cindy Neighbor.

Discussion ensued by Representatives: Annie Kuether, Tom Sloan, and Tom Moxley.

Motion to amend failed 6-11.

No action was taken on **HB 2021**.

Action on:

HB 2116 - Requiring the state corporation commission to annually update base load projections; also requiring utilities to establish energy efficiency and loan management programs.

Representative Vern Swanson reported to the committee, (Attachment 2), the Kansas Corporation issues sub-committee report on **HB 2116**.

Representative Vern Swanson moved to accept the subcommittee report on **HB 2116**. Seconded by Representative Annie Kuether. Motion carried.

Energy Efficiency Issues:

Action on:

HB 2064 - Light pollution; night sky protection act.

CONTINUATION SHEET

Minutes of the House Energy And Utilities Committee at 9:00 a.m. on February 10, 2009, in Room 783 of the Docking State Office Building.

Representative Rob Olson reported to the committee, (Attachment 8), the Energy Efficiency sub-committee report on **HB 2064**.

Representative Rob Olson moved to accept the subcommittee report on **HB 2064**. Seconded by Representative Tony Brown. Motion carried.

Action on:

HB 2015 - Establishing energy efficiency standards for certain owned and leased property, equipment and vehicles.

Representative Rob Olson reported to the committee, (Attachment 8), the Energy Efficiency issues sub-committee report on **HB 2015**. The amendment recommended for adoption in committee was presented to the full committee, (Attachment 9).

Questions were asked and comments made by Representatives: Annie Kuether, Tom Sloan, Mike Burgess, and Revisor Melissa Doebelin.

Representative Rob Olson moved to amend **HB 2015**. Seconded by Representative Connie O'Brien. Motion carried.

Comments were made by Representatives: Annie Kuether, Rob Olson, Mike Burgess, and Carl Holmes.

Representative Rob Olson moved to recommend for adoption **HB 2015** as amended. Seconded by Representative Josh Svaty. Motion Carried.

Bills not assigned to a sub-committee:

Action on:

HB 2225 - Granting certain utilities the option to purchase power from new pulverized coal electricity generating facilities.

Representative Forrest Knox moved to recommend for adoption **HB 2225**. Seconded by Representative Vern Swanson.

Comments were made by Representative Forrest Knox.

Motion Carried.

Action on:

HB 2271 - Regulations for underground hydrocarbon storage wells.

Representative Vern Swanson moved to recommend for adoption **HB 2271**. Seconded by Representative Annie Kuether.

Comments were made by Representatives: Josh Svaty and Carl Holmes.

Motion Carried.

CONTINUATION SHEET

Minutes of the House Energy And Utilities Committee at 9:00 a.m. on February 10, 2009, in Room 783 of the Docking State Office Building.

Action on:

HB 2224 - Compressed air energy storage.

Representative Forrest Knox moved to recommend for adoption **HB 2224**. Seconded by Representative Vern Swanson.

Discussion ensued by Representatives: Tom Moxley, and Carl Holmes.

Motion retracted by Forrest Knox and Vern Swanson.

Representative Tom Moxley moved on Page 2, line and Page 3 line 18 changed from January to July for **HB 2224**. Seconded by Representative Annie Kuether. Motion carried.

Representative Forrest Knox moved to recommend for adoption **HB 2224** as amended. Seconded by Representative Vern Swanson. Motion Carried.

The next meeting is scheduled for February 11, 2009.

The meeting was adjourned at 10:49 a.m.

HOUSE ENERGY AND UTILITIES COMMITTEE GUEST LIST

DATE: February 10, 2009

NAME	REPRESENTING
Tom Day	KCC
Tom Thompson	Sierra Club
Dave Hiltner	KEC
Joe Dyk	KCBPU
Wayne Perod	SunPower
Mark Salcare	SunPower
HOW STANTON	NORTHERN NATURAL GAS
Bob Johnson	SEPC
Phil Waggs	KEPCO
Carol McDowell	Tallgrass Ranchers
LARRY BERG	MIDWEST ENERGY,
Maril Herbst	CEP
GINA BOWMAN	CVR ENERGY
Mark Schreiber	Westar
Pan Kynny	Club
Tom Engstner	AT&T
Scott Jones	KCPD
Joe Mosimann	Hein Law Firm
Corey Moh	Commere

2009 House Committee on Energy and Utilities Subcommittee on Emissions Issues

HB 2016, HB 2033, HB 2034

SUBCOMMITTEE—Representative Tom Moxley-Chairperson; and Representatives Richard Proehl, Rocky Fund, Vince Wetta, Annie Kuether.

CONCLUSIONS AND RECOMMENDATIONS – The Subcommittee recommends **HB 2016, HB 2033** and **HB 2034** not be passed by the full Committee.

BACKGROUND

Each of the bills, **HB 2016, HB 2033** and **HB 2034** was heard in the full Committee, then referred to the Subcommittee chaired by Representative Moxley.

HB 2016 would establish emissions limits for mercury, nitrogen oxide and sulfur dioxide for certain electric generating units that began operation on or after January 1, 2009. The limitations in regard to mercury emissions would be established in rules and regulations adopted by the Secretary of Health and Environment. The generating units covered by the provision would have to achieve at least an 80 percent reduction of mercury from the level contained in combustion exhaust gas prior to application of any pollution control technology.

The nitrogen oxides and sulfur dioxide emission limitations that would be established by the bill would apply to electric generating units that use pulverized coal and are constructed in Kansas after the effective date of the bill.

HB 2033 would require all public electric utilities to join the Climate Registry and to prepare a carbon dioxide gas emissions inventory using the protocols developed by the Registry that were in effect on October 29, 2007. The inventory would be at the unit level for electricity generating units owned by the utility. The completed inventory would be submitted to the legislature by January 11, 2010. If the Climate Registry's reporting protocols or principles, goals or mission change significantly, the utility would be allowed to withdraw.

HB 2034 would require each electric public utility (except those owned or operated by municipalities) to develop and implement a voluntary conservation program to assist businesses and institutions with the following activities:

- inventorying and assessing the emissions of greenhouse gases from purchased heat, electricity or steam, and where feasible, indirect emissions from the activities of the business.

HOUSE ENERGY AND UTILITIES

- developing methods and practices to reduce such emissions, considering the economic impact of those methods and practices.

SUB COMMITTEE DISCUSSION

HB 2016 - Members noted that HB 2038 also deals with emission limits for mercury, nitrogen oxide and sulfur dioxide. In addition, KEEP is reviewing emissions levels, and new federal regulations are under study. The subcommittee voted that the bill not be recommended favorably to the full Committee.

HB 2033 - Members expressed concerns that the bill addresses only CO₂

emissions, and that the money spent to join the Climate Registry could be used in other ways to reduce emissions. The subcommittee voted that the bill not be recommended favorably to the full Committee.

HB 2034 - Members questioned the need for the program, noted there were no proponents, and voted that the bill not be recommended favorably to the full Committee.

CONCLUSIONS AND RECOMMENDATIONS

The Subcommittee recommends **HB 2016, HB 2033** and **HB 2034** not be passed by the full Committee.

2009 House Committee on Energy and Utilities Subcommittee on Kansas Corporation Commission Issues

HB 2012, HB 2014, HB 2017, HB 2021, HB 2035, HB2116

SUBCOMMITTEE—Representative Vern Swanson-Chairperson; and Representatives Dan Johnson, Cindy Neighbor, Joe Siewart, and Josh Svaty.

CONCLUSIONS AND RECOMMENDATIONS – The Subcommittee makes the following recommendations:

- that **HB 2012** be amended and combined with **HB 2017**, if appropriate, and returned to the full Committee for discussion;
- that **HB 2014** and **HB 2035** be amended and recommended favorably for passage;
- that **HB 2021** be returned, without recommendation, for further discussion by the full Committee; and
- that **HB 2116** not be passed by the full Committee.

The recommended amendment to **HB 2012** would extend the timeframe for a decision by the Court of Appeals to 120 days. This may make the bill unnecessary, because 120 days is existing law. If **HB 2012** goes forward, the Subcommittee recommends combining it with **HB 2017**, if appropriate, with the full Committee to review the amendment combining the two bills.

The recommended amendment to **HB 2014** would clarify that KETA could charge fees only if KETA's costs were not recoverable through tariffs of the Southwest Power Pool.

The recommended amendments to **HB 2035** would require cooperatives that deregulate to provide notice to their customers, either before or after a rate change, of the customers' right to request KCC review of the rate change, and would replace the term "customer-owned" in the definition of cooperative with "member-owned".

BACKGROUND

Each of the bills was heard in the full Committee, then referred to the Subcommittee chaired by Representative Swanson. The introduced version of the bills would do the following:

HB 2012 would establish a deadline

for the Court of Appeals to make a decision on appeals of administrative orders of the Kansas Corporation Commission (KCC). Under the bill, the Court would be required to make a decision within 90 days after the appeal is docketed.

HB 2014 would allow the Kansas Electric Transmission Authority (KETA) to establish and charge reasonable fees, rates, tariffs or other charges for use of all facilities owned, financed or administered by KETA and for all services rendered by KETA.

HB 2017 would establish a deadline for the KCC to grant, deny or amend certificates of convenience. The deadline would be 240 days from receipt of the application, unless the applicant extends that time, in writing.

HB 2021 would require the KCC to grant, deny or amend certificates of convenience within 120 days from receipt of the application. The Commission would be required to consider the financial, managerial and technical capabilities of the applicant. When considering certificates, the Commission would have to give highest priority to certificates for utilities contracting to construct projects approved by KETA. In granting a certificate for electric transmission projects greater than 115 kilovolts, the Commission would have to give priority as follows:

- first priority to the incumbent electric provider proposing a contract within its service area,
- second priority to a utility under contract with the incumbent electric provider that serves the area; and
- third priority to a utility proposing a project independent of the incumbent electric provider serving the area.

HB 2035 would allow the entities listed below to elect to be exempt from the regulatory jurisdiction of the KCC:

- electric cooperatives that have more than 15,000 members and that primarily sell at retail;
- limited liability companies that

provide wholesale electric service and that are owned by four or more electric cooperatives that provide retail service in Kansas; and

- any customer-owned corporation formed prior to 2004.

These entities would be subject to the existing statutory procedures smaller cooperative must follow in order to become exempt from KCC jurisdiction. In addition, the bill would amend existing law regarding the process by which customers of cooperatives that choose deregulation can petition the KCC to review changes in rates within one year of the rate change. In the case of a generation and transmission cooperative, a petition signed by not less than 20% of its members or 5% of the aggregate retail customers of its members would mandate a review of the rate change by the KCC.

HB 2116 would direct the KCC to biennially prepare and update an electric generation table report containing current and forecasted capacity and peak load for electric public utilities operating in Kansas. The report shall be modeled after a report published by the Kansas Energy Council; shall show projections for 5, 10 and 20 years; and shall be current through September 1 of the previous year. A biennial written report is to be submitted to the governor and the House and Senate committees responsible for utilities, and to be made available electronically and on the KCC website. The bill also would require utilities to develop and implement by December 1, 2010, an enhanced energy efficiency and load management program that would provide information to customers which has the potential to reduce the utilities' total power generation requirements. In doing so, utilities would be required to consider the PAYS program, as well as other

programs, and to submit a report to the KCC by July 1, 2011 describing the programs adopted by the utility.

SUB COMMITTEE DISCUSSION

HB 2012 - The subcommittee received testimony from the Office of Judicial Administration that proposed giving the Court of Appeals immediate jurisdiction for appeals concerning transmission lines, and extending the deadline for a decision to 120 days. Subcommittee members voted to combine **HB 2012** and **HB 2017**, if appropriate, and lengthen the timeframe for a decision by the Court of Appeals to 120 days. Members discussed whether this change made **HB 2012** unnecessary.

HB 2014 - Amendatory language was proposed that would explicitly clarify that fees could be charged only if KETA's costs were not recoverable through tariffs of the Southwest Power Pool. The subcommittee voted to approve the amendment.

HB 2017 - The subcommittee heard a proposal to shorten the deadline for the KCC to issue a decision on certificates of convenience to 180 days. The KCC testified that even the 240 days proposed in the bill would not be sufficient time for some cases. The subcommittee did not amend the deadline in the introduced version of the bill.

HB 2021 - The subcommittee heard from the KCC, Westar and ITC Great Plains, as well as from Representative Sloan. Most of the discussion centered on the issue of using retail service areas as the basis for assigning priority to construct transmission. The utilities could not reach a compromise on the issue, and Subcommittee members questioned whether the bill might be

premature, given the KCC's current docket on transmission. Members also discussed changing the timeframe in the bill for a KCC decision to 240 days, to be consistent with **HB 2017**.

HB 2035 - The Subcommittee heard testimony from Sunflower, CURB, the Sierra Club, Kansas Electric Cooperatives and Representative Sloan. Subcommittee members voted to adopt language proposed by CURB that would require cooperatives that deregulate to provide notice to their customers, either before or after a rate change, of the customers' right to request KCC review of that change. They also voted to replace the term "customer-owned" with "member-owned" in the definition of cooperative.

HB 2116 - The subcommittee heard from Midwest Energy, Westar, and the KCC. Members were told that much of the information that would be required by the bill concerning electric generation capacity and peak load is already being collected by the KCC, and that a report is provided at the beginning of each legislative session. With regard to enhanced energy efficiency and load management programs, Subcommittee members preferred not to mandate a requirement. Members concluded the bill was not needed.

CONCLUSIONS AND RECOMMENDATIONS

The Subcommittee makes the following recommendations to the full Committee:

- that **HB 2012** be amended and combined with **HB 2017**, if appropriate, and returned to the full Committee for discussion;
- that **HB 2014** and **HB 2035** be

amended and recommended favorably for passage;

- that **HB 2021** be returned, without recommendation, for further discussion by the full Committee; and
- that **HB 2116** not be passed by the full Committee.

The recommended amendment to **HB 2012** would extend the timeframe for a decision by the Court of Appeals to 120 days. This may make the bill unnecessary, because 120 days is existing law. If **HB 2012** goes forward, the Subcommittee recommends combining it with **HB 2017**, with the full

Committee to review the amendment combining the two bills.

The recommended amendment to **HB 2014** would clarify that KETA could charge fees only if KETA's costs were not recoverable through tariffs of the Southwest Power Pool.

The recommended amendments to **HB 2035** would require cooperatives that deregulate to provide notice to their customers, either before or after a rate change, of the customers' right to request KCC review of the rate change, and would replace the term "customer-owned" in the definition of cooperative with "member-owned".

**2009 House Committee on Energy and Utilities
Report of the Subcommittee on Emissions Issues**



Representative Tom Moxley, Chairperson

2-10-09

Date



Representative Rocky Fund

2-10-09

Date



Representative Annie Kuether

2-10-09

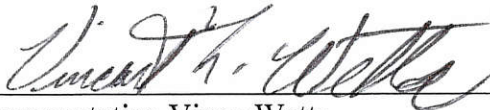
Date



Representative Richard Proehl

2-10-09

Date



Representative Vince Wetta

2-10-09

Date

HOUSE BILL No. 2017

By Committee on Energy and Utilities

1-13

Balloon 1

9 AN ACT concerning the state corporation commission; establishing
10 deadline for decisions.

11

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

13 Section 1. ~~The~~ [^]commission shall grant or deny a certificate of public
14 convenience as required by K.S.A. 66-131, and amendments thereto, or
15 amendments to a certificate of public convenience, within 240 days of the
16 receipt of the application unless the time for such decision has been
17 extended by the applicant in writing [^].

18 Sec. 2. This act shall take effect and be in force from and after its
19 publication in the Kansas register.

(a) Except as provided in subsection (b), the

(b) The time provisions of subsection (a) shall not apply to the consideration to grant or deny certificates of public convenience concerning cases involving acquisitions and mergers of utility companies.

HOUSE ENERGY AND UTILITIES

DATE: 2/10/2009

ATTACHMENT 3

HOUSE BILL No. 2014

By Committee on Energy and Utilities

1-13

Balloon 1

9 AN ACT concerning utilities; relating to the Kansas electric transmission
10 authority; granting authority to establish and charge fees; amending
11 K.S.A. 2008 Supp. 74-99d07 and repealing the existing section.
12

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

14 Section 1. K.S.A. 2008 Supp. 74-99d07 is hereby amended to read
15 as follows: 74-99d07. (a) Except as otherwise provided by this act, the
16 authority shall have all the powers necessary to carry out the purposes
17 and provisions of this act, including, without limitation:

18 (1) Having the duties, privileges, immunities, rights, liabilities and
19 disabilities of a body corporate and a political instrumentality of the state;

20 (2) having perpetual existence and succession;

21 (3) adopting, having and using a seal and altering the same at its
22 pleasure;

23 (4) suing and being sued in its own name;

24 (5) adopting bylaws for the regulation of its affairs and the conduct
25 of its business;

26 (6) adopting such rules and regulations as the authority deems nec-
27 essary for the conduct of the business of the authority;

28 (7) employing consulting engineers, attorneys, accountants, construc-
29 tion and financial experts, superintendents, managers and such other em-
30 ployees and agents as the authority deems necessary and fixing the com-
31 pensation thereof;

32 (8) making and executing all contracts and agreements necessary or
33 incidental to the performance of the authority's duties and the execution
34 of the authority's powers under this act;

35 (9) receiving and accepting from any federal agency grants, or any
36 other form of assistance, for or in aid of the planning, financing, construc-
37 tion, development, acquisition or ownership of any property, structures,
38 equipment, facilities and works of public improvement necessary or use-
39 ful for the accomplishment of the purposes for which the authority was
40 created and receiving and accepting aid or contributions from any source
41 of either money, property, labor or other things of value, to be held, used
42 and applied only for the purposes for which such grants and contributions
43 may be made;

HOUSE ENERGY AND UTILITIES

DATE: 2/10/2009

ATTACHMENT 4-1

2-2
4

1 (10) borrowing funds to carry out the purposes of the authority and
2 mortgaging and pledging any lease or leases granted, assigned or sub-
3 leased by the authority;

4 (11) purchasing, leasing, trading, exchanging or otherwise acquiring,
5 maintaining, holding, improving, mortgaging, selling, leasing and dispos-
6 ing of personal property, whether tangible or intangible, and any interest
7 therein; and purchasing, leasing, trading, exchanging or otherwise ac-
8 quiring real property or any interest therein, and maintaining, holding,
9 improving, mortgaging, leasing and otherwise transferring such real prop-
10 erty, so long as such transactions do not conflict with the mission of the
11 authority as specified in this act;

12 (12) as provided by K.S.A. 2008 Supp. 74-99d09, and amendments
13 thereto, incurring or assuming indebtedness and entering into contracts
14 with the Kansas development finance authority, which is authorized to
15 borrow money, issue bonds and provide financing for: (A) The construc-
16 tion, upgrading or repair of transmission facilities of the Kansas electric
17 transmission authority or the acquisition of right-of-way for such facilities,
18 or both, and any such bonds shall be payable from and be secured by the
19 pledge of revenues derived from the operation of such electric transmis-
20 sion facilities; or (B) making loans to finance the construction, upgrading
21 or repair of transmission facilities not owned by the Kansas electric trans-
22 mission authority or the acquisition of right-of-way for such facilities, or
23 both, upon such terms and conditions as required by the authority, in-
24 cluding a requirement that any entity receiving a loan under this act shall
25 maintain records and accounts relating to receipt and disbursements of
26 loan proceeds, transportation costs and information on energy sales and
27 deliveries and make the records available to the authority for inspection,
28 and any such bonds shall be payable from and be secured by the pledge
29 of revenues derived from the operation of such electric transmission
30 facilities;

31 (13) depositing any moneys of the authority in any banking institution
32 within or without the state or in any depository authorized to receive such
33 deposits, one or more persons to act as custodians of the moneys of the
34 authority, to give surety bonds in such amounts in form and for such
35 purposes as the board requires;

36 (14) recovering its costs through tariffs of the southwest power pool
37 regional transmission organization, or its successor, and, if all costs are
38 not recovered through such tariffs, through assessments against all elec-
39 tric public utilities, electric municipal utilities and electric cooperative
40 utilities receiving benefits of the construction or upgrade and having retail
41 customers in this state. Each such utility's assessment shall be based on
42 the benefits the utility receives from the construction or upgrade, as de-
43 termined by the state corporation commission upon application by the

4-3

1 authority. In determining allocation of benefits and costs to utilities, the
 2 commission may take into account funding and cost recovery mechanisms
 3 developed by regional transmission organizations and shall take into ac-
 4 count financial payments by transmission users and approved by the fed-
 5 eral energy regulatory commission or regional transmission organization.
 6 Each electric public utility shall recover any such assessed costs from the
 7 utility's customers in a manner approved by the commission and each
 8 electric municipal or cooperative utility shall recover such assessed costs
 9 from the utility's customers in a manner approved by the utility's govern-
 10 ing body;

11 (15) participating in and coordinating with the planning activities of
 12 the southwest power pool regional transmission organization, or its suc-
 13 cessor, and adjoining regional transmission organizations, or their suc-
 14 cessors; ~~and~~

15 (16) participating in and coordinating with the planning activities of
 16 the southwest power pool regional reliability organization, or its successor,
 17 and adjoining regional reliability organizations, or their successors; *and*

18 (17) *establish and charge reasonable fees, rates, tariffs or other*
 19 *charges for the use of all facilities owned, financed or administered by it*
 20 *and for all services rendered by it.*

, unless costs are recoverable under paragraph (14),

21 (b) On or before the first day of the regular legislative session each
 22 year, the authority shall submit to the governor and to the legislature a
 23 written report of the authority's activities for the preceding fiscal year.
 24 Such report shall include the report of any audit conducted pursuant to
 25 K.S.A. 2008 Supp. 74-99d10, and amendments thereto, of the preceding
 26 fiscal year.

27 (c) The authority shall continue until terminated by law. No such law
 28 terminating the authority shall take effect while the authority has bonds,
 29 debts or obligations outstanding unless adequate provision has been made
 30 for the payment or retirement of such bonds, debts or obligations. Upon
 31 dissolution of the authority, all property, funds and assets thereof shall
 32 be disposed of as provided by law.

33 Sec. 2. K.S.A. 2008 Supp. 74-99d07 is hereby repealed.

34 Sec. 3. This act shall take effect and be in force from and after its
 35 publication in the Kansas register.

HOUSE BILL No. 2035

By Committee on Energy and Utilities

1-20

Balloon 2

HOUSE ENERGY AND UTILITIES
DATE: 2/10/2009
ATTACHMENT 5-1

9 AN ACT concerning utilities; relating to cooperatives; amending K.S.A.
10 66-104d and repealing the existing section.

11
12 *Be it enacted by the Legislature of the State of Kansas:*

13 Section 1. K.S.A. 66-104d is hereby amended to read as follows: 66-
14 104d. (a) As used in this section, "cooperative" means any cooperative,
15 ~~as defined by K.S.A. 17-4603, and amendments thereto, which has fewer~~
16 ~~than 15,000 customers and which provides power principally at retail~~
17 *corporation organized under the electric cooperative act, K.S.A. 17-4601*
18 *et seq., and amendments thereto, or which becomes subject to the electric*
19 *cooperative act in the manner therein provided; or any limited liability*
20 *company or corporation providing electric service at wholesale in the state*
21 *of Kansas that is owned by four or more electric cooperatives that provide*
22 *retail service in the state of Kansas; or any ~~customer owned~~ corporation*
23 *formed prior to 2004.*

member-owned

24 (b) Except as otherwise provided in subsection (f), a cooperative may
25 elect to be exempt from the jurisdiction, regulation, supervision and con-
26 trol of the state corporation commission by complying with the provisions
27 of subsection (c).

28 (c) To be exempt under subsection (b), a cooperative shall poll its
29 members as follows:

30 (1) An election under this subsection may be called by the board of
31 trustees or shall be called not less than 180 days after receipt of a valid
32 petition signed by not less than 10% of the members of the cooperative.

33 (2) The proposition for deregulation shall be presented to a meeting
34 of the members, the notice of which shall set forth the proposition for
35 deregulation and the time and place of the meeting. Notice to the mem-
36 bers shall be written and delivered not less than 21 nor more than 45
37 days before the date of the meeting.

38 (3) If the cooperative mails information to its members regarding the
39 proposition for deregulation other than notice of the election and the
40 ballot, the cooperative shall also include in such mailing any information
41 in opposition to the proposition that is submitted by petition signed by
42 not less than 1% of the cooperative's members. All expenses incidental
43 to mailing the additional information, including any additional postage

1 required to mail such additional information, must be paid by the sig-
2 natories to the petition.

3 (4) If the proposition for deregulation is approved by the affirmative
4 vote of not less than a majority of the members voting on the proposition,
5 the cooperative shall notify the state corporation commission in writing
6 of the results within 10 days after the date of the election.

7 (5) Voting on the proposition for deregulation shall be by mail ballot.

8 (d) A cooperative exempt under this section may elect to terminate
9 its exemption in the same manner as prescribed in subsection (c).

10 (e) An election under subsection (c) or (d) may be held not more
11 often than once every two years.

12 (f) Nothing in this section shall be construed to affect the single cer-
13 tified service territory of a cooperative or the authority of the state cor-
14 poration commission, as otherwise provided by law, over a cooperative
15 with regard to service territory;; charges, *fees or tariffs* for transmission
16 services;; sales of power for resale, *other than sales between a cooperative,*
17 *as defined in subsection (a), that does not provide retail electric service*
18 *and an owner of such cooperative; and wire stringing and transmission*
19 *line siting, pursuant to K.S.A. 66-131, 66-183, 66-1,170 et seq. or 66-*
20 *1,177 et seq., and amendments thereto.*

21 (g) (1) Notwithstanding a cooperative's election to be exempt under
22 this section, the commission shall investigate all rates, joint rates, tolls,
23 charges and exactions, classifications and schedules of rates of such co-
24 operative if there is filed with the commission, not more than one year
25 after a change in such cooperative's rates, joint rates, tolls, charges and
26 exactions, classifications or schedules of rates, a petition, *in the case of a*
27 *retail distribution cooperative,* signed by not less than 5% of all the co-
28 operative's customers or 3% of the cooperative's customers from any one
29 rate class, *or, in the case of a generation and transmission cooperative,*
30 *not less than 20% of its members or 5% of the aggregate retail customers*
31 *of its members.* If, after investigation, the commission finds that such
32 rates, joint rates, tolls, charges or exactions, classifications or schedules of
33 rates are unjust, unreasonable, unjustly discriminatory or unduly prefer-
34 ential, the commission shall have the power to fix and order substituted
35 therefor such rates, joint rates, tolls, charges and exactions, classifications
36 or schedules of rates as are just and reasonable.

37 (2) The cooperative's rates, joint rates, tolls, charges and exactions,
38 classifications or schedules of rates complained of shall remain in effect
39 subject to change or refund pending the state corporation commission's
40 investigation and final order.

41 (3) Any customer of a cooperative wishing to petition the commission
42 pursuant to subsection (g)(1) may request from the cooperative the
43 names, addresses and rate classifications of all the cooperative's customers

1 or of the cooperative's customers from any one or more rate classes. The
2 cooperative, within 21 days after receipt of the request, shall furnish to
3 the customer the requested names, addresses and rate classifications and
4 may require the customer to pay the reasonable costs thereof.

5 (h) (1) If a cooperative is exempt under this section, not less than 10
6 days' notice of the time and place of any meeting of the board of trustees
7 at which rate changes are to be discussed and voted on shall be given to
8 all members of the cooperative and such meeting shall be open to all
9 members.

10 (2) Violations of subsection (h)(1) shall be subject to civil penalties
11 and enforcement in the same manner as provided by K.S.A. 75-4320 and
12 75-4320a, and amendments thereto, for violations of K.S.A. 75-4317 et
13 seq. and amendments thereto.

14 (i) (1) Any cooperative exempt under this section shall maintain a
15 schedule of rates and charges at the cooperative headquarters and shall
16 make copies of such schedule of rates and charges available to the general
17 public during regular business hours.

18 (2) Any cooperative which fails, neglects or refuses to maintain such
19 copies of schedule of rates and charges under this subsection shall be
20 subject to a civil penalty of not more than \$500. [^]

21 Sec. 2. K.S.A. 66-104d is hereby repealed.

22 Sec. 3. This act shall take effect and be in force from and after its
23 publication in the statute book.

(j) A cooperative that has elected to be exempt under the provisions of subsection (b) shall include a provision in its notice to customers, either before or after a rate change, of the customer's right to request the commission to review the rate change, as allowed in subsection (g).

HOUSE BILL No. 2035

By Committee on Energy and Utilities

1-20

Balloon 1

9 AN ACT concerning utilities; relating to cooperatives; amending K.S.A.
10 66-104d and repealing the existing section.

11

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

13 Section 1. K.S.A. 66-104d is hereby amended to read as follows: 66-
14 104d. (a) As used in this section, "cooperative" means any cooperative,
15 ~~as defined by K.S.A. 17-4603, and amendments thereto, which has fewer~~
16 ~~than 15,000 customers and which provides power principally at retail~~
17 ~~corporation organized under the electric cooperative act, K.S.A. 17-4601~~
18 ~~et seq., and amendments thereto, or which becomes subject to the electric~~
19 ~~cooperative act in the manner therein provided; or any limited liability~~
20 ~~company or corporation providing electric service at wholesale in the state~~
21 ~~of Kansas that is owned by four or more electric cooperatives that provide~~
22 ~~retail service in the state of Kansas; or any customer-owned corporation~~
23 ~~formed prior to 2004.~~

member-owned

24 (b) Except as otherwise provided in subsection (f), a cooperative may
25 elect to be exempt from the jurisdiction, regulation, supervision and con-
26 trol of the state corporation commission by complying with the provisions
27 of subsection (c).

28 (c) To be exempt under subsection (b), a cooperative shall poll its
29 members as follows:

30 (1) An election under this subsection may be called by the board of
31 trustees or shall be called not less than 180 days after receipt of a valid
32 petition signed by not less than 10% of the members of the cooperative.

33 (2) The proposition for deregulation shall be presented to a meeting
34 of the members, the notice of which shall set forth the proposition for
35 deregulation and the time and place of the meeting. Notice to the mem-
36 bers shall be written and delivered not less than 21 nor more than 45
37 days before the date of the meeting.

38 (3) If the cooperative mails information to its members regarding the
39 proposition for deregulation other than notice of the election and the
40 ballot, the cooperative shall also include in such mailing any information
41 in opposition to the proposition that is submitted by petition signed by
42 not less than 1% of the cooperative's members. All expenses incidental
43 to mailing the additional information, including any additional postage

HOUSE ENERGY AND UTILITIES
DATE: 2/10/2009
ATTACHMENT (e-1)

6-2

1 required to mail such additional information, must be paid by the sig-
2 natories to the petition.

3 (4) If the proposition for deregulation is approved by the affirmative
4 vote of not less than a majority of the members voting on the proposition,
5 the cooperative shall notify the state corporation commission in writing
6 of the results within 10 days after the date of the election.

7 (5) Voting on the proposition for deregulation shall be by mail ballot.

8 (d) A cooperative exempt under this section may elect to terminate
9 its exemption in the same manner as prescribed in subsection (c).

10 (e) An election under subsection (c) or (d) may be held not more
11 often than once every two years.

12 (f) Nothing in this section shall be construed to affect the single cer-
13 tified service territory of a cooperative or the authority of the state cor-
14 poration commission, as otherwise provided by law, over a cooperative
15 with regard to service territory; charges, fees or tariffs for transmission
16 services; sales of power for resale, other than sales between a cooperative,
17 as defined in subsection (a), that does not provide retail electric service
18 and an owner of such cooperative; and wire stringing and transmission
19 line siting, pursuant to K.S.A. 66-131, 66-183, 66-1,170 et seq. or 66-
20 1,177 et seq., and amendments thereto.

21 (g) (1) Notwithstanding a cooperative's election to be exempt under
22 this section, the commission shall investigate all rates, joint rates, tolls,
23 charges and exactions, classifications and schedules of rates of such co-
24 operative if there is filed with the commission, not more than one year
25 after a change in such cooperative's rates, joint rates, tolls, charges and
26 exactions, classifications or schedules of rates, a petition, in the case of a
27 retail distribution cooperative, signed by not less than 5% of all the co-
28 operative's customers or 3% of the cooperative's customers from any one
29 rate class, or, in the case of a generation and transmission cooperative,
30 not less than 20% of its members, or 5% of the aggregate retail customers
31 of its members. If, after investigation, the commission finds that such
32 rates, joint rates, tolls, charges or exactions, classifications or schedules of
33 rates are unjust, unreasonable, unjustly discriminatory or unduly prefer-
34 ential, the commission shall have the power to fix and order substituted
35 therefor such rates, joint rates, tolls, charges and exactions, classifications
36 or schedules of rates as are just and reasonable.

the generation and transmission cooperative's members

of such

37 (2) The cooperative's rates, joint rates, tolls, charges and exactions,
38 classifications or schedules of rates complained of shall remain in effect
39 subject to change or refund pending the state corporation commission's
40 investigation and final order.

41 (3) Any customer of a cooperative wishing to petition the commission
42 pursuant to subsection (g)(1) may request from the cooperative the
43 names, addresses and rate classifications of all the cooperative's customers

6-3

1 or of the cooperative's customers from any one or more rate classes. The
2 cooperative, within 21 days after receipt of the request, shall furnish to
3 the customer the requested names, addresses and rate classifications and
4 may require the customer to pay the reasonable costs thereof.

5 (h) (1) If a cooperative is exempt under this section, not less than 10
6 days' notice of the time and place of any meeting of the board of trustees
7 at which rate changes are to be discussed and voted on shall be given to
8 all members of the cooperative and such meeting shall be open to all
9 members.

10 (2) Violations of subsection (h)(1) shall be subject to civil penalties
11 and enforcement in the same manner as provided by K.S.A. 75-4320 and
12 75-4320a, and amendments thereto, for violations of K.S.A. 75-4317 et
13 seq. and amendments thereto.

14 (i) (1) Any cooperative exempt under this section shall maintain a
15 schedule of rates and charges at the cooperative headquarters and shall
16 make copies of such schedule of rates and charges available to the general
17 public during regular business hours.

18 (2) Any cooperative which fails, neglects or refuses to maintain such
19 copies of schedule of rates and charges under this subsection shall be
20 subject to a civil penalty of not more than \$500.

21 Sec. 2. K.S.A. 66-104d is hereby repealed.

22 Sec. 3. This act shall take effect and be in force from and after its
23 publication in the statute book.

(j) A cooperative that has elected to be exempt under the provisions of subsection (b) shall include a provision in its notice to customers, either before or after a rate change, of the customer's right to request the commission to review the rate change, as allowed in subsection (g).

HOUSE BILL No. 2021

By Committee on Energy and Utilities

1-14

9 AN ACT concerning utilities; relating to the granting of certificates of
10 public convenience to common carriers and public utilities.
11

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

13 Section 1. (a) ~~The state corporation commission shall grant or deny~~
14 ~~a certificate of public convenience as required by K.S.A. 66-131, and~~
15 ~~amendments thereto, or amendments to a certificate of public conven-~~
16 ~~ience, within 120 days of the receipt of the application.~~

17 (b) The commission shall consider, at a minimum, the financial, man-
18 agerial and technical capabilities of a common carrier or public utility.

19 ~~(c) The commission shall give highest priority in consideration of cer-~~
20 ~~tificates to utilities contracting to construct projects approved by the Kan-~~
21 ~~sas electric transmission authority.~~

22 ~~(d) In granting a certificate for electric transmission projects greater~~
23 ~~than 115 kilovolts, the commission shall give:~~

24 ~~(1) First priority to the incumbent electric provider proposing a con-~~
25 ~~tract within its service area;~~

26 ~~(2) second priority to a utility under contract with the incumbent~~
27 ~~electric provider that serves the territory; and~~

28 ~~(3) third priority to a utility proposing a project independent of the~~
29 ~~incumbent electric utility serving that area.~~

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

(a) As used in this section, "incumbent predominant electric transmission provider" means the owner or operator of transmission services of 115 kv or greater which are under functional control of a regional transmission organization recognized by the federal energy regulatory commission and in which the incumbent electric transmission is a member.
[Reletter remaining subsections.]

180

in filings for authority to construct and operate transmission lines equal to or greater than 230 kv,

completed

Kansas register

(d) For transmission projects proposed by the Kansas electric transmission authority, or included in the regional transmission organization's approved expansion plans, the commission shall prioritize applications for amended certificates of public convenience in the following order:
(1) To utilities contracting to construct projects owned in whole or in part or approved by the Kansas electric transmission authority;
(2) to the incumbent predominant electric transmission provider within the proposed project area;
(3) to a utility with a designation agreement with the incumbent electric transmission provider predominant within the proposed project area and which incumbent has not surrendered its rights under paragraph (2); and
(4) to a utility proposing a project independent of the incumbent predominant electric transmission provider.

HOUSE ENERGY AND UTILITIES
DATE: 2/10/2009
ATTACHMENT 7

2009 House Committee on Energy and Utilities Subcommittee on Energy Efficiency Issues

HB 2015 AND HB 2064

SUBCOMMITTEE – Representative Rob Olson-Chairperson; and Representatives Mike Burgess, Connie O’Brien, Tony Brown, and Gail Finney.

CONCLUSIONS AND RECOMMENDATIONS – The Subcommittee recommends that **HB 2064** not be passed by the full Committee and that **HB 2015** be amended and recommended favorably.

The recommended amendments to **HB 2015** would:

- In regard to vehicle fuel efficiency standards, change references from calendar year to fiscal year.
- Require the Secretary of Administration to adopt rules and regulations for state agencies to conduct energy audits on state-owned buildings at least every five years.
- Eliminate the requirement for annual energy consumption and cost data gathering for all state-owned and leased property. The recommendation would retain the requirement, beginning in 2010, that the Secretary of Administration annually report to the Legislature regarding state-owned property that uses an excessive amount of energy and eliminate that reporting requirement regarding state-leased space.
- Change the target energy consumption standards for new state-owned buildings to be at least the levels established by ASHRAE and IECC. In the introduced version of the bill, the energy consumption standard for state-owned buildings was 10 percent below those established by ASHRAE and IECC.

In addition, the Subcommittee expresses specific support for the provision of the bill that addresses increased participation in the Facilities Conservation Improvement Program.

BACKGROUND

HB 2015 – The introduced version of the bill would require the Secretary of Administration to adopt rules and regulations requiring the average number of miles per gallon of fuel (mpg) for state purchased vehicles during 2011 to be at least 10 percent higher than the mpg of state owned vehicles in 2008. State agencies would be required to provide information to and cooperate with the Secretary in implementation of the requirement.

The bill would require the Secretary of

Administration to adopt rules and regulations for state agencies for the purchase of products and equipment such as appliances, lighting fixtures and bulbs and computers, that meet energy efficiency at least as stringent as those established for the Energy Star[®] program.¹ The projected cost savings during the useful life of the energy efficient products would have to be equal to or greater than any initial cost in excess of that of less efficient, but functionally equivalent products.

The bill would require the Department of Administration to collect data regarding the

energy consumption and costs for all state-owned and leased real property. The Secretary of Administration would be required to submit a report to the Legislature identifying state-owned or leased property where an excessive amount of energy is being used according to rules and regulations creating energy efficiency performance standards for state-owned or leased property. The Secretary also would be prohibited from approving new leases or renewing or extending existing building leases unless the Secretary has received an energy audit for the building. The Secretary would be required to adopt rules and regulations establishing energy efficiency performance standards applicable to leased space and improvements. Lessors would be required to address the performance standards based on the required energy audit.

The energy office of the Kansas Corporation Commission would be required to develop and increase the participation of school districts and local governments in the facility conservation improvement program to the extent that funds are appropriated for that purpose. The Commission also would be required to strongly encourage state agencies that operate and maintain buildings and that do not participate in the FCIP to do so by December 1, 2011.

Finally, the Secretary of Administration would be required to adopt rules and regulations prescribing energy efficiency performance standards for all new and, to the extent possible, renovated, state-owned buildings be designed and constructed to achieve energy consumption levels at least 10 percent less than specified energy consumption standards. The standards identified in the bill are those established by the American Society of Heating, Refrigeration and Air-conditioning Engineers, Inc (ASHRAE), specifically its standard 90.1-2004; and the 2006 International Energy Conservation Code (IECC).

A hearing on the bill was conducted by

the full Energy and Utilities Committee. At the hearing, the bill was supported by representatives of the Sierra Club, American Chemical Council, the American Institute of Architects, the Climate Energy Project, and the Department of Administration. After the hearing, the bill was referred to the Subcommittee.

Portions of the bill were drawn from Executive Order No. 07-373 issued January 1, 2007. Codification of several provisions of that Executive Order was recommended by the 2007 Special Committee on Special Committee on Energy, Natural Resources, and Environment. That Committee's recommendations, some of which were subsequently included in this bill, were introduced in 2008 **SB 452**. Some provisions included 2009 **HB 2015** were passed by the 2008 Legislature in **SB 327**, **SB 148**, and **HB 2412** which were vetoed.

The fiscal note prepared by the Division of the Budget on the introduced version of **HB 2015** states that the Department of Administration would incur the cost of implementation of the bill. Those costs are estimated to be \$152,000 from the State General Fund for two additional FTE positions and operating expenses. The two positions are an engineer to review the project design and construction of new projects and for the person who would be responsible for data collection, analysis and reporting of energy audits. According to the fiscal note, The Kansas Corporation Commission currently is carrying out the activities that would be required by the bill. The amount estimated for implementation of the bill was not included in *The FY 2010 Governor's Budget Report*.

HB 2064 – The bill would enact the Night Sky Protection Act. The purpose of this Act, as stated in the bill, would be to reduce the amount of light emitted into the nighttime sky for specified protected places in the state, including state parks, certain wilderness areas, and military night training areas.

The Secretary of Health and Environment would be required to adopt rules and regulations establishing voluntary guidelines for achieving specified levels of night sky luminance. Target years and standards would be established by the Act.

The Secretary also would be required to determine the natural nighttime sky luminance for each protected place based on environmental conditions. In addition, the Secretary would be required to submit an annual report to the Legislature describing the sky luminance of protected places on a microcandela per square meter basis for forecasting the sky luminance for each protected place on, five and 10 years into the future.

The fiscal note prepared by the Division of the Budget on the bill states that implementation of the requirements would require expenditure of \$79,722 and creation of a new full-time equivalent position in the Department of Health and Environment. The fiscal note states that the expenditure would be from the Air Quality Fee Fund. Finally, the fiscal note states that the estimated fiscal impact of the bill was not included in the *FY 2010 Governor's Budget Report*.

SUBCOMMITTEE DISCUSSION AND ACTION

The Subcommittee met twice to consider the assigned bills. At the first meeting, the Subcommittee conducted a hearing on **HB 2064**. At that hearing a representative of the International Dark Sky Association presented testimony in support of the bill. The Subcommittee received written testimony in support of the bill, with a recommended amendment, from the Department of Defense Regional Environmental Coordinator for Region VII.

A representative of the Sierra Club presented testimony in opposition to the bill at that hearing and a representative of the League of Kansas Municipalities suggested an amendment to the bill.

A representative of the Department of Health and Environment presented information regarding light pollution legislation and local ordinances and in regard to how the Department would implement the bill if it were enacted.

At its second meeting the Subcommittee received additional written testimony from the International Dark Sky Association that proposed amendment of the bill.

The Subcommittee concluded that the bill is not necessary at this time and recommended that the bill not be passed by the full Energy and Utilities Committee.

Also at the Subcommittee's first meeting, a representative of the Department of Administration suggested amendments to **HB 2015**. A representative of the American Institute of Architects also suggested amendments and support the amendments suggested by the Department of Administration.

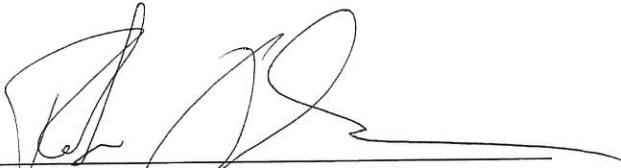
The Subcommittee asked questions about the pay-back period that would be anticipated for energy efficiency improvements and learned that for some major pieces of equipment the payback could be 15 to 20 years.

The Subcommittee recommends the amendments to **HB 2015** suggested by the Department of Administration. In addition, the Subcommittee expresses specific support for the provision of the bill that addresses increased participation in the Facilities Conservation Improvement Program.

1. ENERGY STAR® is a joint program of the U.S. Environmental Protection Agency and the U.S. Department of Energy with a goal of protecting the environment through energy efficient products and practices.

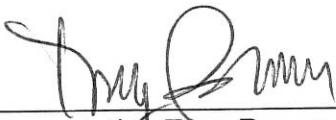
In 1992 the US Environmental Protection Agency (EPA) introduced ENERGY STAR® as a voluntary labeling program designed to identify and promote energy-efficient products to reduce greenhouse gas emissions. Computers and monitors were the first labeled products. The ENERGY STAR® label is now on over 50 product categories including major appliances, office equipment, lighting, and home electronics. EPA has also extended the label to cover new homes and commercial and industrial buildings.

**2009 House Committee on Energy and Utilities
Report of the Subcommittee on Energy Efficiency Issues**




Representative Rob Olson, Chairperson

2-10-09
Date




Representative Tony Brown

2/10/09
Date




Representative Mike Burgess

2-10-09
Date



Representative Gail Finney

2-10-09
Date



Representative Connie O'Brien

2-10-2009
Date

Balloon 1

HOUSE BILL No. 2015

By Committee on Energy and Utilities

9 AN ACT concerning energy efficiency; relating to standards for certain
10 owned or leased property, equipment or vehicles.

11

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

13 Section 1. The secretary of administration shall adopt rules and reg-
14 ulations that require that the average fuel economy standard for state-
15 owned motor vehicles purchased during ~~calendar~~-year 2011 shall not be
16 less than 10% higher than the average fuel economy standard of state-
17 owned motor vehicles purchased during ~~calendar~~-year 2008. The head of
18 each state agency shall provide information to and cooperate with the
19 secretary of administration for the purposes of implementing and admin-
20 istering this section and the rules and regulations adopted by the secretary
21 of administration.

fiscal

fiscal

22 Sec. 2. As used in sections 2 through 6, and amendments thereto:

23 (a) "ASHRAE" means American society of heating, refrigerating and
24 air-conditioning engineers, inc. standard ~~90.1-2004~~.

25 (b) "Energy star" means the joint program of the United States en-
26 vironmental protection agency and the United States department of en-
27 ergy which labels certain products that meet energy efficiency standards
28 adopted for such products.

29 (c) "IECC" means the ~~2006~~ international energy conservation code.

30 (d) "New construction" means any building or structure which is con-
31 structed by the state or any agency of the state and the construction of
32 which commences on or after July 1, 2010.

33 Sec. 3. The secretary of administration shall adopt rules and regu-
34 lations for state agencies for the purchase of products and equipment,
35 including, but not limited to, appliances, lighting fixtures and bulbs, and
36 computers, which meet energy efficiency guidelines which are not less
37 than the guidelines adopted for such products to qualify as an energy star
38 product if the projected cost savings for the useful life of such products
39 and equipment is equal to or greater than the additional cost compared
40 to functionally equivalent products and equipment of lower efficiency.

41 ~~Sec. 4. (a) The department of administration shall collect data on~~
42 ~~energy consumption and costs for all state owned and leased real property~~
43 ~~and the secretary of administration shall submit a written report to the~~

Sec. 4.(a) The secretary of administration shall
adopt rules and regulations for state agencies for the
conduct of an energy audit at least every five years on
all state-owned real property and

1 legislature on or before the first day of the 2010 regular session of the
2 legislature and on or before the first day of each ensuing regular session
3 of the legislature identifying state-owned ~~or leased~~ real property locations
4 in which an excessive amount of energy is being used in accordance with
5 rules and regulations adopted by the secretary of administration concern-
6 ing energy efficiency performance standards for state-owned ~~or leased~~
7 real property.

8 (b) The secretary of administration shall not approve a new lease or
9 a renewal or extension of an existing lease of non-state owned real prop-
10 erty unless the lessor has submitted an energy audit for such real property
11 that is the subject of such lease. The secretary of administration shall
12 adopt rules and regulations establishing energy efficiency performance
13 standards which shall apply to leased space and improvements which the
14 lessor shall be required to address based on such energy audit.

15 Sec. 5. (a) Within the limitations of appropriations therefor, the Kan-
16 sas energy office of the state corporation commission shall develop and
17 increase the participation of school districts and local governments in the
18 facility conservation improvement program (FCIP) pursuant to K.S.A. 75-
19 37,125, and amendments thereto.

20 (b) The state corporation commission shall strongly encourage state
21 agencies which operate and maintain state-owned buildings that are not
22 participating in the FCIP to participate in the FCIP pursuant to K.S.A.
23 75-37,125, and amendments thereto, on or before December 1, 2011.

24 Sec. 6. The secretary of administration shall adopt rules and regu-
25 lations prescribing energy efficiency performance standards requiring
26 that all new construction and, to the extent possible, renovated state-
27 owned buildings, be designed and constructed to achieve energy con-
28 sumption levels that are at least ~~10% below~~ the levels established under
29 the ASHRAE standard or the IECC, as appropriate, if such levels of
30 energy consumption are life-cycle cost-effective for such buildings and
31 also recommending that new and, to the extent possible, renovated school
32 and municipal buildings meet the same requirements.

33 Sec. 7. This act shall take effect and be in force from and after its
34 publication in the statute book.