

MINUTES OF THE HOUSE ENERGY AND UTILITIES COMMITTEE

The meeting was called to order by Chairman Carl Holmes at 9:00 a.m. on March 2, 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
Sean Ostrow, Office of the Revisor of Statutes
Mary Torrence, Office of the Revisor of Statutes
Cindy Lash, Kansas Legislative Research Department
Renaë Hansen, Committee Assistant

Conferees appearing before the committee:

Joe Harkins, Kansas Corporation Commission

Others attending:

Twenty-nine including the attached list.

Representative Annie Kuether moved to introduce a resolution for KETA. Seconded by Representative Forrest Knox. Motion carried.

It was noted 12 members and staff will attend the solar roundtable tomorrow (Attachment 1)

On Friday the committee will car pool to Lawrence, for a tour of the Lawrence Energy Center, and Bowersock hydro-electric plant.

Discussion of Federal stimulus package funding for energy efficiency.

Joe Harkins, KCC, (Attachment 2), gave a presentation that outlined the process that will be taken to distribute the economic stimulus energy efficiency funds. He noted the goals and strategies that are based on and consistent with (1) policy guidance contained in KCC dockets 441 and 442, (2) the existing State Facility Conservation Improvement Program (FCIP), and (3) the Governor's policy directives. The strategies include: (1) Expand existing and develop additional comprehensive programs to increase energy conservation and efficiency in buildings for all classes of utility customers, (2) Encourage development of dynamic pricing, a critical component of an effective statewide energy efficiency initiative, which gives energy consumers clear price signals that allow them to make better-informed choices about energy consumption and end-use devices.

Questions were asked and comments made by Representatives: Carl Holmes, Vern Swanson, Don Myers, Rob Olson, Tom Moxley, Tom Sloan, and Forrest Knox.

The next meeting is scheduled for March 3, 2009.

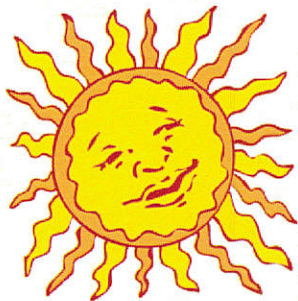
The meeting was adjourned at 10:25 a.m.

HOUSE ENERGY AND UTILITIES COMMITTEE GUEST LIST

DATE: March 3, 2009

NAME	REPRESENTING
Joe Dick	KCBPU
Mick Urban	Kansas Gas Service
Maui Harlett	CEP
Mark Schreiber	Westar
Phil Wages	KEPCO
Don Hiltner	KCC
Johnny Dopta	Pinegar, Smith & Assoc.
Mari Tucker	Dept of Commerce
Chris Wilson	KBIA
Kari Prestley	Kearney & Associates Inc
Joe Mosimann	Hein Law
Tom Thompson	Sierra Club
Nancy Jackson	CEP
Nathan Eberline	LKM
Erin Ruff	KCC
Scott Jones	KEPC
Chris Gigstad	Federico Consulting
Matt Casey	GDA

Registration
Required!



Solar Roundtable

Tuesday, March 3, 2009

9:00 am - 3:00 pm

Presented by the Energy Programs Division, Kansas Corporation Commission

(Box Lunches provided for a fee)

9:10 am

Overview of Economic & Financial Aspects of U.S. Solar Power

Peter Lorenz, Associate Principle, McKinsey & Company

Peter Lorenz is a leader of McKinsey and Company's North American Electric Power and Natural Gas practice. Prior to joining McKinsey, Mr. Lorenz worked for Royal Dutch Shell in London on several finance assignments. Lorenz will provide overview of the global and U.S. market for solar power, with an eye to current and near term economics. Mr. Lorenz has an MBA from Harvard Business School and a BA in European Business Administration from the University of Reutlingen, Germany and Middlesex University, London.

10:10 am

Regulatory Issues with Solar Power

Jason Keyes, Partner, Keyes & Fox, LLP Seattle, Washington

Jason Keyes will provide an update on regulatory issues with solar. Mr. Keyes co-founded the two-man law firm of Keyes & Fox, LLP in July, 2008 to focus on distributed generation law. The new firm's primary client is the Interstate Renewable Energy Council, which the firm represents in state utility commission rulemakings. Prior to law school, Jason managed government contracts and business development for eight years at JX Crystals Inc., a pioneer in the field of high-concentration PV and thermophotovoltaics.

11:10 am

Kansas Specific Insights Regarding Solar Power

Ward Jewell, Wichita State University

A professor of Electrical Engineering at Wichita State University, Dr. Jewell has worked for many years on the potential of alternative energy in Kansas. Dr. Jewell offer his perspective on solar energy and the unique issues in Kansas. Dr. Jewell has a B.S. in Electrical Engineering from Oklahoma State University, a M.S. in Electrical Engineering from Michigan State University and a PhD in Electrical Engineering from Oklahoma State University.

1:00 pm

Photovoltaic Current & Near Term: Technology & Cost Structure

Roger Taylor, U.S. Department of Energy, National Renewable Energy Laboratory (NREL)

Roger Taylor is a member of the State, Local, and Tribal Integrated Applications Group in the Strategic Energy Analysis and Applications Center. Mr. Taylor will give us an overview of current and near-term solar technology with an emphasis on photovoltaic technologies. Mr. Taylor has a B.S. degree in Physics from Colorado College and an M.S. in Mechanical Engineering from the University of Arizona.

2:00 pm

A Private Sector Perspective

Colin Murchie, Director of Government Affairs, SunEdison

Colin Murchie will provide an a private sector perspective from SunEdison, North America's largest solar energy services provider. Mr. Murchie will speak on SunEdison's view of the marketplace, current and future, and what SunEdison looks for in a solar project.

Location: KASB, 1420 SW Arrowhead Road, Topeka, KS 66604

For more information/registration/and R.S.V.P contact: Michael Deupree 785.271

HOUSE ENERGY AND UTILITIES

DATE: 3/2/2009

ATTACHMENT 1

Economic Stimulus Energy Efficiency Initiatives: Goals and Strategies

Kansas Corporation Commission (KCC) Briefing
House Energy and Utilities Committee, March 2, 2009

The goals and strategies outlined below are based on and consistent with (1) policy guidance contained in KCC dockets 441 and 442, (2) the existing State Facility Conservation Improvement Program (FCIP), and (3) the Governor's policy directives.

GOALS

- 1) Reduce Energy Consumption (Electricity and Natural Gas).
- 2) Reduce Emissions of Carbon Dioxide and Other Pollutants.
- 3) Stimulate Local Economies.

ESTIMATED FUNDING TO KCC STATE ENERGY OFFICE

1) Energy Efficiency & Conservation Block Grant (EECBG):

\$4.2 million + \$5.6 million (for cities under 35,000 and counties under 200,000).

2) State Energy Program (SEP): \$38 million.

3) Appliance Efficiency Rebates: \$3.7 million (if direct grant); may be a competitive grant.

Department of Energy (DOE) has 60 days for rule-making; funds anticipated on or before 4-17-09.

STRATEGY 1

Expand existing and develop additional comprehensive programs to increase energy conservation and efficiency in buildings for all classes of utility customers.

- Special emphasis will be placed on existing residential and small commercial buildings.
- Low-income residential customers will be targeted.
- Residential rental properties will be targeted.

Existing Programs and Providers

- A. **Large Industrial Buildings:** Encourage expanded use of private Energy Service Companies (ESCOs).
- B. **Large Commercial Buildings:** Encourage expanded use of private Energy Service Companies (ESCOs).
- C. **Public Buildings:** Encourage expanded use of private Energy Service Companies (ESCOs) through State Facility Conservation Improvement Program (FCIP).
- D. **Low-income Residential Buildings:** Expand the capacity to audit, modify, finance, and evaluate Kansas Weatherization Assistance Program (WAP), operated by Kansas Housing Resources (KHRC).

HOUSE ENERGY AND UTILITIES

DATE: 3/2/2009

ATTACHMENT 2-1

Kansas SAVES (Smart And Verifiable Energy Savings)

- E. **Small Commercial Buildings:** Develop capacity to audit, modify, finance, and evaluate comprehensive programs.
- F. **Residential Buildings:** Develop capacity to audit, modify, finance, and evaluate comprehensive programs.
 - Midwest Energy's How\$mart is considered a prototype utility program.
 - Program creates functional relationship between KCC State Energy Office and Kansas Housing Resources Corporation (KHRC):
 - KCC and KHRC will jointly administer the **Kansas SAVES** loan program; current KHRC program (KEEP) will be folded into new program.
 - Kansas Development Finance Authority (KDFFA) is the "banker" for KHRC.
 - KCC and KHRC will cooperate to train energy auditors that can be used in both KHRC's Weatherization Assistance Program (WAP) and KCC's **Kansas SAVES** program.

Strategy 1 achieves KCC goals of (1) reduced energy usage, (2) reduced emissions of carbon dioxide and other pollutants, and (3) stimulating economic activity by increasing the application of comprehensive, sound building science practices in existing buildings.

STRATEGY 2: Encourage development of dynamic pricing, a critical component of an effective statewide energy efficiency initiative, which gives energy consumers clear price signals that allow them to make better-informed choices about energy consumption and end-use devices.

- Encourage utilities to propose dynamic pricing programs—rate designs such as time-of-use, critical peak, and seasonal price differentials—that send more accurate price signals to customers.
- Develop a collaborative project, as requested by the Governor in her 2009 State of the State address to the Legislature, involving KCC staff, utility staff, and other stakeholders to conduct a comprehensive study of dynamic pricing. Study would focus on:
 - 1) method of cost recovery,
 - 2) rate design,
 - 3) bill format,
 - 4) infrastructure (e.g., smart meters) requirements,
 - 5) modeling,
 - 6) pilot projects, and
 - 7) customer education requirements.

Strategy 2 achieves KCC goals of (1) reduced energy usage, (2) reduced emissions of carbon dioxide and other pollutants, and (3) stimulating economic activity by using highly effective, market-based method for reducing consumer demand for electricity.