

SESSION OF 2008

SUPPLEMENTAL NOTE ON SENATE BILL NO. 580

As Amended by House Committee of the Whole

Brief*

SB 580, as amended, would create the weatherization assistance program account within the State Housing Trust Fund. Moneys in the fund would be used to finance the weatherization assistance program. The program would be funded by transferring into the account 25 percent of any federal appropriations for the low income energy assistance block grant. To be eligible for the weatherization assistance program persons would be required to be current on their utility bills or on a commission approved payment schedule.

The bill also would require the head of the agency administering the weatherization assistance program to submit an annual accountability report to the Senate Committee on Utilities and the House Committee on Energy and Utilities. The report would be submitted on or before the first day of the regular Legislative Session in 2009, 2010, and 2011.

In addition, the bill would amend current law to require the Kansas Corporation Commission (KCC) to allow requesting utilities to capitalize and add to their rate base investments in and expenditures for energy efficiency, conservation, and demand management programs. Any such programs must be approved by the KCC.

Background

The bill was introduced at the request of Senator Reitz, who stated that the introduced version would implement a

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

recommendation by the Kansas Energy Council to provide \$2 million annually in state funds to increase funding for weatherization grants to low income homeowners to increase housing energy efficiency.

At the Senate Committee hearing representatives of the Kansas Development Finance Authority, the Kansas Energy Council, the Kansas Catholic Conference, the Citizens' Utility Ratepayer Board (CURB), and the Kansas Chapter of the Sierra Club testified in support of the introduced version of the bill. There was no testimony in opposition to the bill at the Committee hearing.

The Senate Committee amended the bill to fund the program by transferring to the program account 15 percent of any emergency or supplemental federal appropriations for the low income energy assistance block grant. The bill as introduced would have funded the program with an annual \$2 million transfer from the State General Fund.

At the House Committee on Energy and Utilities hearing on the bill, Ken Frahm, co-chairperson of the Kansas Energy Council, testified in support of the bill. Representatives from the League of Municipalities, the Kansas Catholic Conference, the Kansas Association of Relators, the Kansas Chapter of the Sierra Club, SRS, the Kansas Finance Development Authority, and the Kansas Housing Resources Corporation submitted written testimony in favor of the bill. CURB presented testimony supporting the introduced version of the bill.

The House Committee amended the bill to require 25 percent of any federal appropriations for the low income energy assistance block grant to be transferred to the weatherization assistance program account. The Committee also amended the bill to include a provision requiring persons to be current on their utility bills or on a commission approved payment schedule in order to be eligible for the weatherization program. Finally, the Committee amended the bill to require the submission of an annual accountability report by the program administrator.

The House Committee of the Whole amended the bill to include all provisions of HB 2632, as that bill passed the House, to require the KCC to allow all requesting utilities to capitalize and add to their rate base investments in and expenditures for energy efficiency, conservation, and demand management programs. At the time the House Committee of the Whole took action on SB 580, HB 2632, in an amended form, was on General Orders in the Senate.

The fiscal note prepared by the Division of the Budget on the introduced version of SB 580 indicates passage of the bill would require an annual \$2 million transfer from the State General Fund. The fiscal note prepared by the Division of the Budget for the introduced version of HB 2632 indicates that passage of the bill would have little or no fiscal effect on the operations of the KCC or the Citizens' Utility Ratepayer Board.