

MINUTES OF THE HOUSE ENERGY AND UTILITIES COMMITTEE

The meeting was called to order by Chairman Carl Holmes at 9:00 A.M. on January 25, 2011, in Room 785 of the Docking State Office Building.

All members were present except:

Representative Nile Dillmore-excused

Committee staff present:

Matt Sterling, Office of the Revisor of Statutes  
Cindy Lash, Kansas Legislative Research Department  
Renaë Hansen, Committee Assistant

Conferees appearing before the Committee:

Tom Day, KCC  
Michael Wegner-KCC  
Dick Rohlfs, Westar  
Roland Maliwat-KCP&L  
Whitney Damron-Empire  
Dave Holthaus-KEC  
Colin Hansen-KMU  
Hal Jensen-Westar  
Joe Dick-BPU  
Steve Gilkey-KCP&L

Others attending:

Forty-Eight including the attached list.

Informational Hearings on:

**Net Metering-Discussion of regulations**

Tom Day, KCC, spoke to the committee and introduced, Michael Wegner, KCC, chief of energy operations, ([Attachment 1](#)) who offered testimony to the committee on net metering. He gave an official definition of net metering. Mr. Wegner explained that net metering was covered in statutes 66-1263 and 66-1261. Additionally, he detailed some of the basic rules and regulations set forth by the KCC for the energy company and consumer to follow. He noted that the statutes relate to the IOU's and commented that there are co-ops that provide net metering to their customers. He also included two other pieces of information:

- KCC Sample Application Form ([Attachment 2](#))
- Rules and Regulations pertaining to Net Metering, Article 17 ([Attachment 3](#))

**Net Metering-Status of implementation**

Dick Rohlfs, Director, Retail Rates, Westar, ([Attachment 4](#)), offered testimony explaining the process that Westar went through to develop their net metering policy. He thanked the KCC for working well with the industry to create the rules for net metering. Mr. Rohlfs testimony included a time line for the process that Westar went through to implement the ability to offer net metering to their customers including rules and regulations, but also the tariff process. He noted they have 66 customers participating in parallel generation.

Roland Maliwat, KCP&L, ([Attachment 5](#)), spoke to the committee on their involvement in net metering and parallel generation. He noted that as of today there are a total of 23 customers participating in the program.

Whitney Damron, Empire, ([Attachment 6](#)), spoke to the committee on the preparation for the net metering process. He noted that they do not currently have any customers on the Kansas side participating in the program but, they do have some customers in Missouri participating in net metering.

## CONTINUATION SHEET

The minutes of the House Energy and Utilities Committee at 9:00 A.M. on January 25, 2011, in Room 785 of the Docking State Office Building.

Dave Holthaus, KEC, ([Attachment 7](#)), spoke to the committee on the Kansas Electric Cooperatives involvement in net metering. To date, they have all but one cooperative participating in net metering with one or more of their customers. He attributes the net metering participation to the sales of the small wind generating units in the Northeast part of Kansas.

Colin Hansen, Kansas Municipal Utilities, ([Attachment 8](#)), spoke to the committee about the process they went through to develop their net metering policy. He noted that members requested that the association develop a municipal net metering policy that was flexible enough that it could be implemented in each member community.

Questions were asked and comments made by Representatives: Don Hineman, Vern Swanson, and Forrest Knox.

In response to committee questions, Mr. Rohlf explained the difference between net metering and parallel generation.

### **Smart Metering -Current and Future Installations**

Hal Jensen, Westar, Director SmartStar Programs, ([Attachment 9](#)), spoke to the committee about the smart grid space. He offered a historical explanation of their technological upgrades to implement this project. He noted that the project is a \$40,000,000 upgrade but about two thirds of that cost will benefit all customers in their footprint area. Additionally, they were awarded \$19 million dollar grant money for this project from the federal government in support of this project. He explained Westars objective in moving through this smart grid process. He explained many of the ways they are trying to communicate the project to their customers in order to get them to participate fully in the program. He noted that the information on the web-page will give the customer information about their usage up to the day before. He included a time line for the smart meter project installations.

Joe Dick, Governmental Director, Kansas Board of Public Utilities (BPU), ([Attachment 10](#)) offered information to the committee on the progress they have made in implementing smart metering within their system. He noted their system is in its infancy.

Steve Gilkey, KCP&L, ([Attachment 11](#)), spoke to the committee on their smart meter project. He noted they received grant funding in the amount of \$24 million from the ARRA for a demonstration project. He noted this is part of the urban revitalization project, and is being used in the core urban area of Kansas City Missouri. They noted that by the end of February they will have all the meters in. He commented that they have had number of energy fairs to educate the customers in the communities they serve.

Dave Holthaus, KEC. ([Attachment 12](#)), offered testimony explaining the smart metering program used within the electric cooperatives in the state of Kansas. He noted that in the cooperatives there are about 72,000 customers with smart meters. They can be read from the cooperatives main office. Smart meters allow them to cut costs by not having as many meter readers, and turning meters on and off can be done at the office. He noted that the advantage to customers is that the office can detect an outage and be on the way to deal with the outage before the customer even calls in.

Don Hellwig, Manager, DSO Electric Co-Op Solomon. Ks, ([Attachment 13](#)), offered the committee an opportunity to see a smart meter, and gave an example of the kind of data a smart meter can provide both the customer and the company.

Questions were asked and comments made by Representatives: Forrest Knox, Vern Swanson, Annie Kuether, Reynaldo Mesa, and Mike Burgess.

### Introduction of Bills

Representative Reynaldo Mesa moved to introduce a bill concerning expanding tax credits for current and new ethanol production which would expire in July of 2011. Seconded by Representative Gail Finney. Motion carried unanimously.

CONTINUATION SHEET

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Representative Forrest Knox moved to introduce a resolution that would recommend stopping the EPA train wreck. Seconded by Representative Tom Sloan. Motion carried.

The next meeting is scheduled for January 26, 2011.

The meeting was adjourned at 10:45 A.M.