

Approved: March 21, 2012
(Date)

MINUTES OF THE HOUSE ENERGY AND UTILITIES COMMITTEE

The meeting was called to order by Vice Chairperson Forrest Knox at 9:00 AM on Monday, March 12, 2012 in 785 of the DSOB.

All members were present except:

Representative Stan Frownfelter-excused
Representative Rob Bruchman-excused
Representative Mike Slattery-excused

Committee staff present:

Cindy Lash, Kansas Legislative Research
Matt Sterling, Kansas Revisor of Statutes
Tamera Lawrence, Kansas Revisor of Statutes
Renaë Hansen, Committee Administrative Assistant

Conferees appearing before the Committee:

John Olson, Executive Director, Bulk Power Marketing, Westar
Kimberly Svaty, The Wind Coalition
Walt Chappell, President, Educational Management Consultants
Bob Glass, Chief of Economics and Rates, KCC

Others in attendance:

Twenty seven including the attached list.

Informational hearing on New Electric Generation Costs

Generation and Dispatch Characteristics and Conventional Generation Costs

John Olson, Executive Director, Bulk Power Marketing, Westar Energy, (Attachment 1), spoke to the committee about their system of generation and some of the complexities of providing energy to the consumer. His testimony included charts that explained seasonal loads for the production of energy. Additionally, he noted the difference of the load demand for energy and the availability of energy produced by wind during the peak time. He provided a chart that shows the load demand during the day and how they ramp up with various forms of power production during the day. His power point included a chart with information about the various costs of new generation of energy.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

Minutes of the HOUSE ENERGY AND UTILITIES Committee at 9:00 AM on Monday, March 12, in 785 of the DSOB.

Wind Costs

Kimberly Svaty, The Wind Coalition, (Attachment 2) spoke to the committee about the costs of new wind generation in the state of Kansas, and its various costs from area to area in the state. She noted the difference in costs from current costs and costs that would be incurred without the production tax credit now available from the federal government that stands to go away at the end of 2012.

Costs and Effects to Ratepayers of an RPS

Bob Glass, Chief of Economics and Rates, Kansas Corporation Commission, (Attachments 3 and 4) spoke to the committee about the data they have collected that relates to the cost of energy production in the state of Kansas. He noted that new wind generation compares favorably to the costs of new coal generation, but not the old or existing coal generation. His testimony includes a chart of Lazards Levelized cost of energy generation that was compiled in 2010.

Solar Costs

Walt Chappell, President, Educational Management Consultants, (Attachment 5), spoke to the committee about the costs of new solar energy production costs. He commented that there is as much sun in Kansas as there is in the state of Florida. He noted that the reason the costs of solar energy production is going down consistently is because the costs to produce continue to fall on a regular basis. He also spoke about a number of programs available through the Rural Energy for America Program (REAP) to help promote energy produced by solar.

Questions were asked and comments made by Representatives: Vern Swanson, Phil Hermanson, Don Hineman, Richard Proehl, Tom Sloan, Forrest Knox, Steve Alford, and Carl Holmes.

Erin Weigel, Trade Wind Energy helped to answer committee questions. He noted that about 70% of wind production is the cost of the turbine.

The next meeting is scheduled for March 13, 2012 9:00 a.m.

The meeting was adjourned at 10:44 a.m.

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