

MINUTES OF THE SENATE UTILITIES COMMITTEE

The meeting was called to order by Chairman Pat Apple at 1:30 p.m. on February 13, 2012 in Room 548-S of the Capitol.

All members were present except:
Senator Ty Masterson, excused

Committee staff present:
Matt Sterling, Office of the Revisor of Statutes
Tamera Lawrence, Office of the Revisor of Statutes
Cindy Lash, Kansas Legislative Research Department
Ann McMorris, Committee Assistant

Conferees appearing before the Committee:
Michael Wenger, Kansas Corporation Commission
Kurt Bookout, City of El Dorado
Brad Estes, BTI Wind Energy, Greensburg
Jennifer Gunby, GBA Architects+Engineers, Lenexa
Mark Schreiber, Westar (representing KCP&L & Empire also)
Leo Haynos, Kansas Corporation Commission

Others attending: See attached list.

Approval of Minutes

Moved by Senator Petersen, seconded by Senator Taddiken, minutes of the meetings held by the Senate Utilities Committee on January 23, 2012; January 24, 2012; January 25, 2012; January 30, 2012; January 31, 2012 and February 1, 2012 be approved. Motion carried.

Chair opened the hearing on:

SB 374 –Concerning utilities; Kansas Corporation Commission; rules and regulations; penalties; fees

Proponent:

Leo Haynos, Chief of Gas Operations and Pipeline Safety, Kansas Corporation Commission, reviewed the portions of Kansas law which govern the state's pipeline safety regulation on intrastate natural gas pipelines **SB 374** would amend. KCC supports this bill. (Attachment 1)

Chair closed the hearing on **SB 374**.

Chair opened the hearing on:

SB 383 – Increasing the net metering allowance for non-residential customer generators

Proponents

Michael Wenger, Chief of Energy Operations, Kansas Corporation Commission, noted that the change made by **SB 383** would open up broader opportunities for companies that sell wind turbines thereby increasing economic development. (Attachment 2)

Kurt Bookout, Director of Public Utilities, City of El Dorado, observed that the current statutory scheme which mandates that Westar permit net metering for 200 kw or smaller turbines leaves out any community wind turbine project seeking a long term project with a return on investment. Communities seeking to reduce their operating costs at their facilities, seeking to diversify energy production, to invest in renewable energy, need this legislation. (Attachment 3)

Brad Estes, Director of Wind Operations, BTI Wind Energy, Greensburg, testified that increasing the net metering limit on commercial operations would allow thousands of small to mid-sized companies in Kansas to stabilize their input costs for energy. (Attachment 4)

Jennifer Gunby, Civil Engineer, GBA Architects+Engineers, Lenexa, offered two specific themes: (1) economies of scale come strongly into play for onsite renewable energy generation projects; and (2) a nameplate capacity of 200 k highly limits eligible properties. (Attachment 5)

Written testimony only on **SB 383** from:

CONTINUATION SHEET

Minutes of the Senate Utilities Committee at 1:30 p.m. on February 13, 2012, in Room 548-S of the Capitol.

Phillip Dickinson, Director, Sales & Marketing, Nordic Windpower USA Inc., Kansas City, Mo. (Attachment 6) ; and

Distributed Wind Energy Association (DWEA), Phoenix, Arizona (Attachment 7)

Opponents

Mark Schreiber, Westar Energy, (representing Westar, KCP&L & Empire), noted their opposition centers on the greater cross-subsidization of net-metered power which would occur. **SB 383** increases the maximum capacities to 15 times the limits set just three years ago to 3 MW. (Attachment 8)

Written testimony only from:

David Springle, Citizens' Utilities Ratepayer Board. (Attachment 9)

Chair closed the hearing on **SB 383**.

Adjournment.

Respectfully submitted,

Ann McMorris, Committee Secretary

Attachments - 9