

MINUTES OF THE HOUSE ENERGY AND UTILITIES COMMITTEE

The meeting was called to order by Chairman Carl Holmes at 9:00 A.M. on February 12, 2008 in Room 783 of the Docking State Office Building.

All members were present.

Committee staff present:

Mary Galligan, Kansas Legislative Research
Carol Toland, Kansas Legislative Research
Mary Torrence, Revisor's Office
Melissa Doeblin, Revisor's Office
Rena Hansen, Committee Administrative Assistant

Conferees appearing before the committee:

Others attending:

Forty Five including the attached list

Action on:

HB 2711-Electric generation, transmission and efficiency and air emissions.

Representative Rob Olson moved a technical amendment to HB 2711, (Attachment 1), seconded by Representative Forrest Knox. Motion passed.

Representative Rob Olson explained his next proposed amendment.

Representative Rob Olson, (Attachment 2), moved to amend HB 2711, seconded by Representative Vern Swanson.

Discussion ensued by Representative Annie Kuether, who asked that we divide the amendment so that each part could be discussed separately.

It was decided to look at the amendment in this manner:

Section 1-7: Schools

Section 8: Merchant Power

Section 9: Facility Improvement

Sections 10-12: Carbon Offset Mitigation

Sections 13-29: Net Metering

Sections 30-33: Regulatory Reform

Section 34: KCC Regulation of CO-OPS

The committee addressed Section 1-7: noting the revisors would make the proposed technical changes. (Attachment 2)

Motion to make said changes on Sections 1-7, carried.

Discussion ensued with Representatives: Tom Sloan, and Rob Olson.

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Representative Tom Sloan moved to leave in section 5 (a), seconded by Representative Tom Moxley. Motion passed.

The committee addressed Section 8: The Merchant Power Plant, (Attachment 2).

Discussion ensued between Representatives: Forrest Knox, Rob Olson, Vaughn Flora, Annie Kuether, Vern Swanson, Josh Svaty, Tom Sloan, and Bill Light.

Motion to remove Section 8 passed, 11-7.

The committee addressed Section 9: The Study Commission.

Discussion ensued with Representatives: Josh Svaty, Rob Olson, Tom Sloan, and Forrest Knox.

Motion to change section 9 failed on a voice vote.

Sections 10-12: Carbon Mitigation Section

Discussion ensued with Representatives: Rob Olson, Tom Moxley, Vaughn Flora, Tom Sloan, and Forrest Knox.

Motion to take language out in sections 10-12 passed 10-8.

Sections 13-29: Net Metering.

Discussion ensued with Representatives: Rob Olson, Annie Kuether, Forrest Knox, Vaughn Flora, and Tom Sloan.

Motion to take out sections 13-29 failed, 8-12.

Representative Bill Light asked to be recorded in favor of taking out those sections.

Sections 30-33: Regulatory Reform

Discussion ensued with Representatives: Rob Olson, Tom Sloan, Forrest Knox, Peggy Mast, Tom Moxley, and Josh Svaty.

Motion to amend sections 30-33 carries 11-8.

Section 34: No Changes

Representative Rob Olson moved to have some technical clean up language on pages 2 and 3 per the revisors discretion for **HB 2711**, seconded by Representative Peggy Mast. Motion carried.

Representative Tom Sloan (Attachment 3), offered to the committee a number of amendments.

Representative Tom Sloan moved to amend **HB 2711** (Attachment 3), page 2 line 29 - 35 to the changes recommended and delete section 6 (b) and sections 7 (a) and (b), seconded by Representative Annie Kuether.

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Discussion ensued by Representative: Don Myers, Tom Sloan, and Annie Kuether.

Motion to amend passed.

Representative Tom Sloan moved to amend **HB 2711** (Attachment 3), page 4 and 5 per written recommendation, seconded by Representative Cindy Neighbor.

Discussion ensued with Representatives: Tom Sloan, Don Myer, Bill Light, Annie Kuether, Peggy Mast, Josh Svaty, and Judy Morrison.

Motion to amend pages 4 and 5 passed.

Representative Tom Sloan moved to amend **HB 2711** (Attachment 3), page 6 per written amendment the expansion of the Kansas Electric Transmission Authority (KETA) directive, seconded by Representative Tom Moxley.

Discussion ensued with Representatives: Josh Svaty, Peggy Mast, and Tom Sloan.

Motion to amend page 6 passed, 10 - 6.

Representative Annie Kuether did not vote as she is a member of KETA.

Representative Peggy Mast moved to add back in the “legislative Post audit” language to **HB 2711**, page 6 line 3, seconded by Representative Rob Olson.

Discussion followed with Representatives: Tom Sloan, Annie Kuether, and Forrest Knox.

Motion to add back in the language failed 13-7.

Representative Tom Sloan moved to amend **HB 2711** (Attachment 3), adding the language on page 8, and to add back in lines 12-14 section 10, section 11, plus the new language on page 12, seconded by Representative Annie Kuether.

Representative Myers requested the motion be divided with the first addition to be re-adding the stated sections on 10 and 11 and the first addition on page 8.

Discussion followed with Representatives: Forrest Knox, Tom Sloan, Tom Moxley, Annie Kuether, and Rob Olson.

Motion to amend sections 10, 11, and 12, failed 9-11.

Representative Tom Sloan noted that the second portion of the motion was irrelevant due to the fact that the first portion did not pass.

Representative Tom Sloan moved to amend **HB 2711** (Attachment 3), to include the definition of the “affected facility”, page six and the balloon on page 8, seconded by Representative Vern Swanson.

Discussion ensued with Representatives: Don Myers, Forrest Knox, Tom Sloan, and Carl Holmes.

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Motion to amend passed.

Representative Vaughn Flora asked to be recorded in favor of the motion.

Representative Tom Sloan moved to amend **HB 2711** (Attachment 3), page 14, seconded by Representative Vaughn Flora.

Representative Forrest Knox asked that the amendment be divided.

The first part was the “,” and deletion of the word “or” and on line 7 the addition of “,or by an alternative technology”.

Motion to amend passed.

The second portion was on line 17, “150% of” added language.

Discussion ensued with Representatives: Vaughn Flora, Annie Kuether, Peggy Mast, Forrest Knox, Rob Olson, and Tom Hawk.

Motion to amend page 14, line 17 passed.

Representative Forrest Knox and Peggy Mast requested to be recorded as no votes to this portion of the amendment.

Representative Tom Sloan moved to amend **HB 2711** (Attachment 3), page 15, line 39, with the suggested additional language, seconded by Representative Annie Kuether.

Discussion ensued with Representatives: Terry McLachlan, and Tom Sloan.

Motion to amend passed.

Representative Tom Sloan moved to amend **HB 2711** (Attachment 3), page 21, line 28, seconded by Representative Tom Moxley.

Discussion ensued between Representatives: Dan Johnson, Carl Holmes, Josh Svaty, Peggy Mast, Forrest Knox, and Tom Moxley.

Motion to amend page 21, line 28 passed.

Representative Tom Sloan moved to amend **HB 2711** (Attachment 3), page 21, line 33, adding “avoid non-attainment”, seconded by Representative Tom Moxley.

Discussion ensued between Representatives: Margaret Long, and Tom Sloan.

Motion to amend page 21, line 33, passed.

Representative Tom Sloan moved to amend **HB 2711** (Attachment 3), page 24, section (g), line 32, seconded by Representative Vern Swanson.

Discussion ensued by Representatives: Annie Kuether and Tom Sloan.

Motion to amend page 24, line 32, passed.

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MINUTES OF THE House Energy and Utilities Committee at 9:00 A.M. on February 12, 2008 in Room 783 of the Docking State Office Building.

Representative Tom Sloan moved to amend **HB 2711** (Attachment 4), pages 26 & 27 with language submitted (Attachment 5) for sections 34(a) and 34(f), seconded by Representative Bill Light.

The committee moved to another amendment while they waited for copies of the changed language to be made for all members to read.

Representative Tom Sloan moved to amend **HB 2711** (Attachment 4), page 28, seconded by Representative Vern Swanson.

Discussion ensued with Representatives: Annie Kuether, Peggy Mast, Josh Svaty, Forrest Knox, Cindy Neighbor, Vern Swanson, Don Myers, Tom Sloan, and Tom Moxley.

Representative Tom Moxley suggested that the language be changed on sentence 3 of the balloon from “shall” to “offer to lease”.

Representative Tom Sloan withdrew his motion, and changed it to include “offer to lease” in sentence 3 which was amicable to the second of the motion, Representative Vern Swanson.

Further debate ensued between Representative: Forrest Knox, Tom Moxley, Oletha Faust-Goudeau, Tom Sloan, Josh Svaty, Tom Hawk, Don Myers, Vaughn Flora, and Annie Kuether.

Representative Tom Sloan withdrew the motion and resubmitted it with language the revisors choose that would encourage Sunflower to lease property for the establishment of a bio energy center and land water usage center. Representative Vern Swanson withdrew his second to the motion and Representative Tom Hawk seconded the motion.

Discussion continued between Representatives: Don Myers, Tom Sloan, Josh Svaty, and Annie Kuether.

Representative Annie Kuether called the question on the motion before the committee.

Motion to amend **HB 2711** failed.

The committee revisited the motion to amend as previously moved pertaining to pages 26 and 27 (Attachment 5).

Discussion ensued between Representatives: Margaret Long, and Tom Sloan.

Motion to amend carried.

Representative Forrest Knox, (Attachment 6), moved to amend **HB 2711**, seconded by Representative Rob Olson.

Comments were made by Representative: Tom Sloan.

Motion to amend passed.

Representative Forrest Knox, began a discussion about section 30.

Point of order was suggested by Representative Tom Sloan because the chairman required that committee members present amendments via the revisors office. Chairman Carl Holmes ruled to make an exception.

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MINUTES OF THE House Energy and Utilities Committee at 9:00 A.M. on February 12, 2008 in Room 783 of the Docking State Office Building.

Representative Forrest Knox moved to amend **HB 2711**, page 21, lines 15-18, be deleted and in line 23 replace “federal act: with “federal clean air act” (42 USC 7401), seconded by Representative Josh Svaty.

Discussion ensued with Representatives: Forrest Knox, Tom Moxley, and Tom Hawk.

Motion to amend **HB 2711** passed.

Representative Josh Svaty moved to amend **HB 2711** page 1 line 33 to “purchased during 2010 and beyond”, seconded by Representative Vern Swanson. Motion carried.

Representative Rob Olson, (Attachment 7) moved to amend **HB 2711**, page 6, line 18 to “just new facilities as they come online,” seconded by Representative Bill Light.

Discussion ensued with Representatives: Annie Kuether, Bill Light, Forrest Knox, and Josh Svaty.

Motion to amend failed..

Representative Tom Moxley, (Attachment 8), moved to amend **HB 2711**, new section 10, 11, and 12, seconded by Representative Annie Kuether.

Discussion followed with Representatives: Vaughn Flora, Annie Kuether, and Tom Sloan.

For clarification, it was noted, that it puts all of the information from those sections back in **HB 2711**, with conservation easement as mitigation for CO₂.

Motion to amend failed, 9-11.

Representative Tom Hawk, (Attachment 9), moved to amend **HB 2711**, seconded by Representative Vaughn Flora.

Discussion ensued between Representatives: Tom Moxley, and Tom Hawk.

It was noted that the fiscal note on this amendment would be about 6.9 million dollars at the most, but with a realistic participation amounting to somewhere between 2-3 million dollars.

Representative Carl Holmes asked a question for clarification.

Motion to amend failed..

Representative Tom Hawk, (Attachment 10), moved to amend **HB 2711**, seconded by Representative Annie Kuether.

Representative Annie Kuether commented on the amendment.

Motion to amend passed.

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Representative Josh Svaty, (Attachment 11), moved to amend **HB 2711**, page 5 new section 3, seconded by Representative Tom Hawk.

Discussion ensued by Representatives: Forrest Knox, Josh Svaty, Tom Hawk, Bill Light, Judy Morrison, Carl Holmes, Vaughn Flora, Don Myers and Tom Sloan

The question was divided, with the committee first speaking to 3a.

Discussion continued with Representatives: Judy Morrison, and Josh Svaty.

Motion to amend adding new section 3(a) passed 12- 8.

Subsection B.

Discussion ensued between Representatives: Tom Sloan, Peggy Mast, and Josh Svaty.

Motion to amend adding new section 3 (b) failed.

Subsection C.

Discussion followed by Representative: Josh Svaty, and Tom Sloan.

Motion to amend adding new section 3 (c), passed, 11-9.

Representative Peggy Mast ask that her vote be recorded noting that “We just voted to allow higher energy rates in the state of Kansas.”

Debate on the bill:

H Sub SB 327- Renewable fuels; income tax credits.

Representative Tom Sloan moved to take out the existing language of **H Sub SB 327** and amend **HB 2711** into **H Sub SB 327** and pass out favorably to the House floor, seconded by Representative Tom Moxley.

Representative Vaughn Flora commented on the motion.

Motion to amend **H Sub SB 327** and pass favorably to the House floor passed.

Representative Forrest Knox presented a statement of intent, (Attachment 12) that was read into the record.

Those recording support of the statement are Representatives: Forrest Knox, Bill Light, and Peggy Mast.

Those recording opposition to the statement are Representatives: Margaret Long, Cindy Neighbor, and Annie Kuether.

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MINUTES OF THE House Energy and Utilities Committee at 9:00 A.M. on February 12, 2008 in Room 783 of the Docking State Office Building.

The committee is scheduled to meet at 9:15 Feb 13, 2008 next.

Meeting adjourned at 1:30 p.m.