

**Request for Bill Introductions  
to the  
Senate Utilities Committee  
January 31, 2005**

**Lee Allison, PhD  
Chair  
Kansas Energy Council**

The Kansas Energy Council was established in 2002 by Executive Order and reconstituted in 2004. The Council is tasked to develop a comprehensive energy plan to help ensure that Kansans have low-cost, reliable, and secure energy supplies. The Council is required to submit an annual energy report by the start of the legislative session. We delivered this year's report on December 21, 2004.

As part of the report, the Council made recommendations to the Legislature, to the Governor, and for the Council itself to undertake. This morning I want to report briefly that two legislative recommendations have been introduced as bills and ask for your approval to introduce up to three additional bills.

**Bills introduced:**

- Amend Article 9 of the Uniform Commercial Code to restore a priority creditor status for sellers of oil and gas production when a purchaser is in bankruptcy. Such an amendment would follow the language of the former K.S.A. 84-9-319, which was repealed in 2000. **HB2104**
  
- Remove mandatory labeling for 10% ethanol mixtures at the gas pump. Rescind Subsection b of Kansas Statute No. 79-3408, which currently requires that retail gasoline pumps with ethanol blends be labeled. **SB56**

**Additional Kansas Energy Council Legislative Recommendations**

- Adopt a \$.005/kwh production tax credit for new renewable energy facilities or expansions of existing facilities, including wind, hydro, solar and biomass. This credit should be for the first 10 years of the facilities' operation, be tradable to allow benefit to non-taxable entities, and designed in such a way that it is transparent who claims these and how much they claim.
  
- Authorize the Kansas Development Finance Authority (KDFA) to offer bonds to finance Kansas energy projects.
  
- Adopt language clarifying that negotiations and discussions between wind-energy developers and local governments regarding voluntary payments for wind projects are legal.