

Approved: 03/21/08

Date

MINUTES OF THE SELECT COMMITTEE ON ENERGY & ENVIRONMENT FOR THE FUTURE

The meeting was called to order by Chairman Don Myers at 1:30 PM on March 18, 2008 in Room 784 of the Docking State Office Building.

All members were present except:

Representative Jason Watkins.

Committee staff present:

Mike Corrigan, Revisor of Statutes Office

Melissa Doebelin, Revisor of Statutes Office

Raney Gilliland, Kansas Legislative Research Department

Mary K. Galligan, Kansas Legislative Research Department

Ryan Hoffman, Kansas Legislative Research Department

Barbara Lewerenz, Committee Assistant

Conferees appearing before the committee:

Tom Thompson, Kansas Chapter of the Sierra Club

Others attending:

See attached list.

Chairman Myers stated that due to regulatory uncertainty, potential carbon cost and the risk of investment on the part of utilities and potential difficulty in obtaining financing, there was a general opinion from the representatives of the utility companies that they really didn't want **HB-2949 - Kansas energy plan act**, to be put into statute. Therefore, **HCR-5038, State energy plan**, which is almost identical to **HB-2949** was developed. Chairman Myers explained that a technical balloon amendment (attachment # 1) to **HCR-5038** was needed to be approved prior to holding the hearing. The amendment strikes "43,584 gigawatt hours" from page 2, line 36 and adds "approximately 6,700 megawatts." It also strikes the word "additional" in line 37 and strikes "59,000 gigawatt hours" from lines 38 and 39 replacing it with terminology explaining the need for additional base-load capacity in terms of megawatts. The balloon strikes line 12 on page 3 and adds wind generation at 2 % to be included in the 2006 approximate fuel mix for electric generation in the state. Lines 14 through 17 are stricken and replaced by a statement prefacing the approximate fuel mixes of dispatchable electric generation for the future.

Moved by Representative Olson, seconded by Representative Rardin for adoption of the Technical Balloon Amendment of **HCR-5038**. Motion Carried.

Chairman Myers opened the hearing on **HCR-5038, State energy plan**.

Chairman Myers recognized Tom Thompson, Kansas Chapter of the Sierra Club, who testified in opposition to **HCR-5038** (Attachment 2). Mr. Thompson stated that his testimony was the same as his previous testimony for **HB-2949**. The Sierra Club hopes the state of Kansas will continue to pursue a viable energy plan that considers sustainability, pollution potential, including carbon dioxide and other greenhouse gases, future carbon fees, waste disposal issues, life-time costs, and the impact on health and energy independence. It also desires that the general public be given ample opportunity for input.

Being no further testimony, Chairman Myers requested the committee's permission to work the resolution. Chairman Myers said he met with Senator Emler and the Senator had agreed to run **HCR- 5038** on the Senate side.

CONTINUATION SHEET

MINUTES OF THE Select Committee on Energy & Environment for the Future at 1:30 PM on March 18, 2008 in Room 784 of the Docking State Office Building.

Representative Flora presented an amendment to **HCR-5038** - Balloon No. 1(Attachment # 3). The amendment adds the word “electric” before the word energy throughout the resolution. On page 1, line 11 the phrase, “and the lives of all Kansans” is added following the word “economy.” On page 2, line 29, following the year 2009, the phrase, “and each ensuing year thereafter,” is added. On page 2 ,line 32, following the word particular, the phrase, “and other advancements in the science of base-load generation” is added.

Moved by Representative Flora, seconded by Representative Olson to adopt Balloon No. 1 of HCR-5038.. Motion Carried.

Representative Rardin presented an amendment to **HCR-5038** - Balloon No. 2 (Attachment # 4). Due to the complexity of this amendment the resolution was divided into sections known as Parts A, B, C, D and E and motions were made separately for each section.

Part A: On page 1, line 33, the sentence, “Base load generation includes coal fired steam, nuclear and hydro-power generation,” would be stricken. On page 1, lines 40 and 41, the sentence, “Intermediate load generation includes gas fired combined cycle generation” would be stricken.

Moved by Representative Rardin, seconded by Representative Flora to strike the sentence on page 1, lines 33 and 34 beginning with the word “Base-load” and the sentence on page 1, lines 40 and 41 beginning with the word, “Intermediate”. Motion Failed

Part B: . On page 1, line 37, the balloon would add “Dispatchable electric generation capacity means the amount of generation capacity that a utility can expect from a generating unit any time the unit is 100 % available,” following the word “year.”.

Moved by Representative Rardin, seconded by Representative Flora to add the sentence in the balloon beginning with the word, “Dispatchable “ following the word year on page 1, line 37. Motion Carried

Part C: On page 2, lines 7 and 8, the definition, “Peak load generation includes combustion turbine, internal combustion engine and gas fired steam generation” would be stricken. On page 2, lines 16 and 17 the words, “including, but not limited to, nuclear power generation and domestic fossil fuel reserves” would be stricken.

Moved by representative Rardin, seconded by Representative Flora to strike the definition on page 2 lines 7 and 8 following the word “costs” and to also strike the words on page 2 , lines 16 and 17 following the word “supplies.” from the resolution. Motion Failed

Part D: On page 2, line 15, following the word “of,” the balloon adds “safe and cost-effective.” The balloon included changes on page 2, lines ,22, 23 and 24 to clarify that some aging electric generation capacity will need to be replaced within the next 20 years and that promotion of applicable and appropriate market driven solutions be promoted as well as polices encouraging consumer and corporate energy efficiency toward an end of reducing state energy needs and load growth.

Moved by representative Rardin, seconded by Representative Flora to amend the resolution by adding the verbage in the balloons on page 2, lines 15, 22, 23 and 24. Motion Carried.

Part E: On page 3, line 16, the words, “the following” are stricken and replaced with “suitably determined.” Lines 18, 19 and 20 are stricken. This deletes the approximate percentages of base-load electric generation projected for the future.

Moved by Representative Rardin, seconded by Representative Flora to amend the resolution by adding the verbage in the balloon on page 3, line 16 and to strike lines 18, 19 and 20 on page 3. Motion Carried

CONTINUATION SHEET

MINUTES OF THE Select Committee on Energy & Environment for the Future at 1:30 PM on March 18, 2008 in Room 784 of the Docking State Office Building.

Moved by Representative Olson, seconded by Representative Flora to approve HCR 5038 as amended. Motion Carried

Moved by Representative Olson, seconded by Representative Faust-Goudeau to approved the Minutes of March 11 and March 12. Motion Carried.

Chairman Myers furnished articles entitled, *Nuclear Energy: A Key Tool in Reducing Greenhouse Gas Emissions* and *S & P on Renewable Portfolio Standards, US Utilities*. (Attachment # 5)

Chairman Myers announced that there will be no further meetings of the Select Committee on Energy & Environment for the Future. He thanked the committee and staff for their work in producing a resolution that helps define the future energy needs of the state and informs the public of a serious situation that will take time to resolve.

Meeting adjourned at 2:25 p.m.