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**BEFORE THE SENATE COMMITTEE ON COMMERCE
PRESENTATION OF THE
KANSAS CORPORATION COMMISSION
March 6, 2007
HB 2169**

Thank you, Madam Chair and members of the Committee. I am Joe Harkins, Director of the Kansas Energy Office at the Kansas Corporation Commission. I appreciate the opportunity to be here today to testify for the Commission on HB 2169.

The Facilities Conservation Improvement Program (or FCIP), is a very successful program operated by the Kansas Energy Office which allows public entities (state agencies, unified school districts, cities, counties, community and technical colleges, and more) to use energy savings performance contracts to implement energy conservation improvements for buildings. Guaranteed utility and operational savings are used to leverage lending for lease-purchase agreements that fund the improvements.

The Kansas program has gained national recognition, the Western Governors Association's Energy Efficiency and Conservation Task Force recommended the Kansas Facility Conservation Improvement Program as a "best practices". The FCIP is patterned after the Federal Department of Defense Super ESCO program. As with the Federal program, Kansas uses pre-qualified energy service companies. This allows public agencies to use pre-negotiated and agreed upon rates, fees and standardized contracts. Thus, institutions can implement projects much more quickly and with less effort, thereby saving time and money while maintaining a high

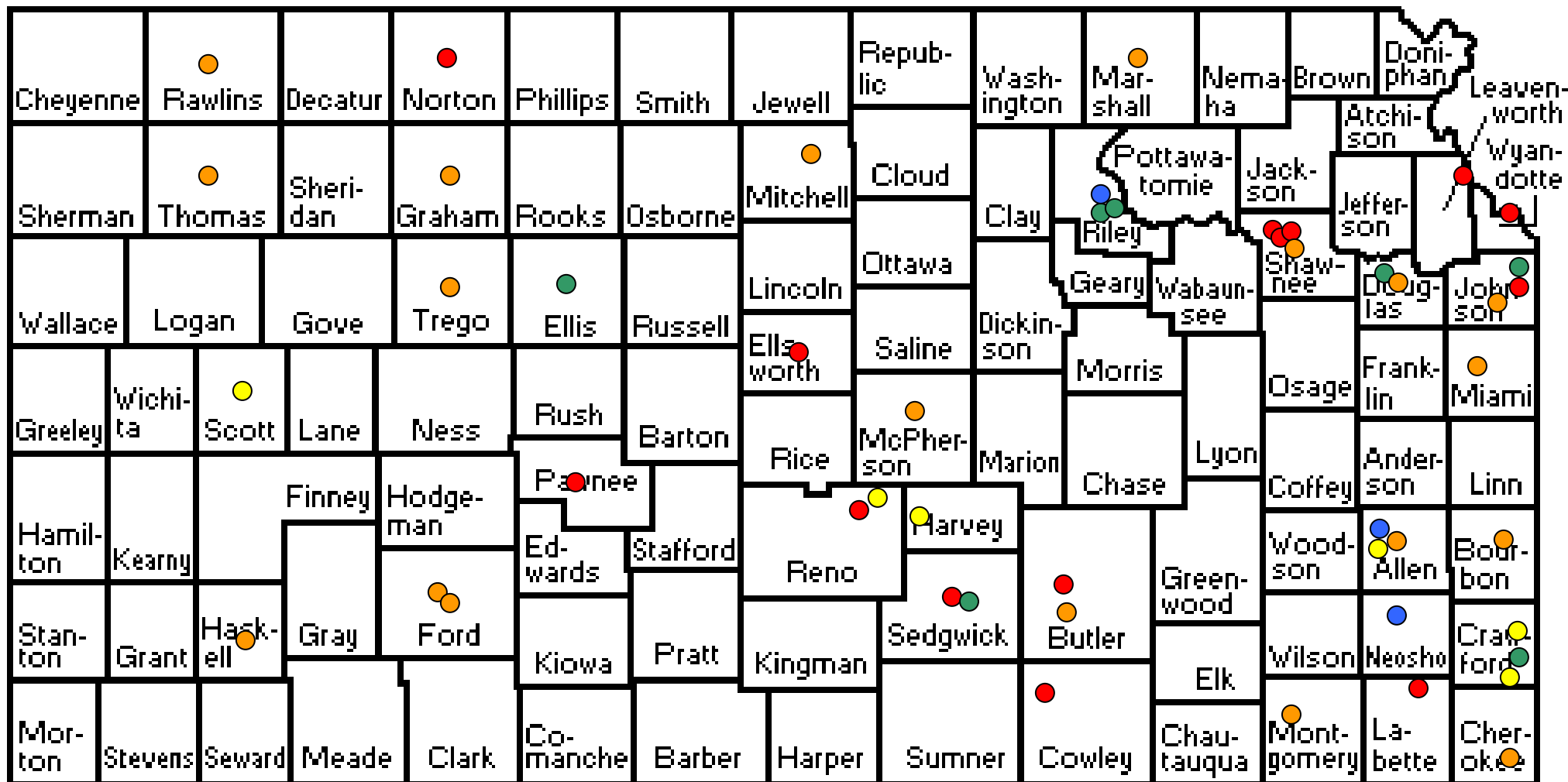
degree of confidence that they are receiving a quality product. Since its inception about five years ago, nearly \$110 million in capital improvements have resulted in about \$9 million in annual avoided energy costs for public buildings.

Our staff finds HB 2169 to be confusing. It is difficult to ascertain exactly what the positive effects of the bill would be, and it is possible that the bill would have a negative effect on a tried and proven successful program – the FCIP. We would suggest setting aside any immediate action on HB 2169 at this time, so that we can carefully study possible implications.

We are currently looking at the long range perspective as encouraged by the Governor's recent Executive Directive of comprehensive energy conservation and efficiency programs through the Energy Office and the Facility Conservation Improvement Program. We would ask the committee to allow us the opportunity to work with our colleagues at KDFFA and Department of Administration to carefully study some of the ideas put forth by HB 2169 to determine how they might integrate with our ongoing planning process, and come back next year with recommendations.

I would be happy to answer any questions. Thank you.

Attachments: List of FCIP projects and map



- State Projects
- Unified School Districts
- State Universities
- Community/Technical Colleges
- Pending Projects

Facility Conservation Improvement Program (FCIP) Projects
(as of January 2007)
 Compiled by the Kansas Energy Office

KANSAS FACILITY CONSERVATION IMPROVEMENT PROGRAM (FCIP)				
<i>Energy Savings Performance Contract Projects</i>				
Kansas Corporation Commission Energy Programs				
	Agency	Area (sq ft)	Project Amount	Ann Savings
1	Kansas School for the Blind	1,112,689	\$ 467,153	\$ 44,519
2	Hutchinson Correctional Facility	416,530	\$ 2,748,100	\$ 352,932
3	Pittsburg State University	1,379,549	\$ 4,500,000	\$ 385,152
4	Kansas State University - Housing	1,080,981	\$ 2,418,169	\$ 356,097
5	Kansas Neurological Institute	373,688	\$ 2,268,817	\$ 188,391
6	University of Kansas - Campus	5,881,330	\$ 18,393,010	\$ 1,723,488
7	University of Kansas Medical Center	1,911,375	\$ 12,289,489	\$ 964,768
8	Kansas State University - Campus	5,532,479	\$ 21,090,000	\$ 1,629,935
9	Winfield Correctional Facility	227,385	\$ 1,164,639	\$ 147,566
10	Wichita Work Release Facility	54,672	\$ 261,000	\$ 32,617
11	Norton Correctional Facility	308,150	\$ 1,682,971	\$ 211,522
12	Lansing Correctional Facility	614,743	\$ 3,583,697	\$ 445,736
13	Fort Hays State University	1,839,022	\$ 4,887,301	\$ 348,816
14	Parsons State Hospital	357,951	\$ 2,047,222	\$ 194,542
15	Kansas School for the Deaf	254,508	\$ 1,016,810	\$ 95,151
16	El Dorado Correctional Facility	609,431	\$ 2,123,556	\$ 264,016
17	Topeka Correctional Facility	245,069	\$ 723,765	\$ 90,032
18	Ellsworth Correctional Facility	196,899	\$ 870,900	\$ 107,409
19	Larned Mental Health Correctional Facility	154,417	\$ 171,350	\$ 19,996
20	Pittsburg State University - Nation Hall	232,009	\$ 1,550,401	\$ 90,425
22	Kansas Insurance Department	36,000	\$ 692,419	\$ 83,143
23	Wichita State University	1,976,646	\$ 12,316,635	\$ 1,118,277
24	Neosho County Community College	190,608	\$ 2,064,361	\$ 70,704
25	Allen County Community College	158,407	\$ 2,743,950	\$ 123,123
26	Manhattan Area Tech. School	61,898	\$ 457,932	\$ 29,940
27	City of Topeka	324,664	\$ 512,310	\$ 45,270
28	USD #466 Scott County	145,569	\$ 945,271	\$ 44,719
29	USD #382 Humboldt	94,939	\$ 255,348	\$ 17,478
30	USD #246 Northeast-Arma	139,552	\$ 612,533	\$ 38,283
31	USD #313 Buhler	588,259	\$ 1,166,186	\$ 67,128
32	USD #369 Burrton	91,911	\$ 432,284	\$ 33,940
	TOTALS	26,591,330	\$ 106,457,579	\$ 9,365,115