

MINUTES OF THE SENATE UTILITIES COMMITTEE.

The meeting was called to order by Chairman Senator Stan Clark at 9:30 a.m. on March 6, 2001 in Room 231-N of the Capitol.

All members were present except:

Committee staff present:       Raney Gilliland, Legislative Research  
  Tom Severn, Legislative Research  
  Bruce Kinzie, Revisor of Statutes  
  Lisa Montgomery, Revisor of Statutes  
  Ann McMorris, Secretary

Conferees appearing before the committee:

    Bill Roush, Solar Electric Systems of KC and Heartland Solar Industries Assn., Lenexa  
    Russell Rudy, Kansas Energy Star Program, Kansas City, MO.  
    Art Richards, Johns-Mansville, McPherson  
    Larry Holloway, Kansas Corporation Commission  
    William D. Carrison, President, RTI Consultants, Olathe

Others attending:        See attached list.

Chairman opened the first day of hearing for proponents on:

**SB 299 - Promotion of Energy efficiency, income tax credits**

Neutral:

    Larry Holloway, Chief of Energy Operations for the Kansas Corporation Commission testified this bill would appear to only charge ratepayers of KCC jurisdictional utilities, while all others could receive the benefit. While the Commission supports renewable energy, the committee should be aware that the provisions in this bill would place the burden of this subsidy only on specific electric customers, even though there may be benefits to all Kansans. (Attachment 1)

Questions from the committee: (1) How will the Florida Company that is putting wind generators near Montezuma sell their power? (A1) The power is sold to wholesalers and negotiations were made before the announcement of the project. (2) Any citing on this project? (A2) No, too small.

Proponents:

    Bill Roush, Solar Electric Systems of KC and Heartland Solar Industries Assn., Lenexa, reviewed the various sections of **SB 299** which defines tax liability for energy efficiency improvements purchased and implemented after Jan. 1, 2001. He noted that 31 states have solar energy statutes. (Attachment 2)

Member asked for verification on the statement ..."Americans in the West are about to spend billions of taxpayer dollars to shield electric ratepayers from the true costs recently incurred by using fossil fuels. Our government spends tens of billions of dollars each and every year for a military presence to attempt to defend oil supplies in the Middle East. We spend billions more in environmental remediation and added in health costs from fossil fuel use." A list of the 31 states who have net metering statutes was requested. KCC will provide.

    Russell Rudy, Kansas Energy Star Program, Kansas City, MO., explained the home energy rating program, how an energy rate is arrived at by certified home energy raters and the savings derived from making buildings energy efficient. (Attachment 3)

CONTINUATION SHEET

MINUTES OF THE SENATE UTILITIES COMMITTEE at 9:30 a.m. on March 6, 2001 in Room 231-N of the Capitol.

Art Richards, Johns-Mansville, McPherson spoke on the energy savings benefits of fiberglass insulation as produced by the McPherson plant. He supported **SB 299** as a wise investment in the energy future in Kansas (Attachment 4)

William D. Carrison, President, RTI Consultants, Olathe, provides the service of determining the energy efficiency of buildings. He felt this bill would provide the needed incentive for builders to build more energy efficient homes and commercial buildings.

Chairman opened for questions. Why should an incentive be offered to an owner to improve their own house? Are the various sections of the bill cumulative? Yes. Define net metering.

Chairman noted need for specific code and dates in the language of **SB 299** on page 4, line 11 and page 5, line 7.

Next meeting of the committee will be on March 7.

Adjournment.

Respectfully submitted,

Ann McMorris, Secretary

Attachments - 4