

Approved: March 28, 2003
Date

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES.

The meeting was called to order by Chairman Carl D. Holmes at 9:06 a.m. on February 4, 2003 in Room 526-S of the Capitol.

All members were present.

Committee staff present: Mary Galligan, Legislative Research
Dennis Hodgins, Legislative Research
Mary Torrence, Revisor of Statutes
Jo Cook, Administrative Assistant

Conferees appearing before the committee:

Bruce Graham, Kansas Electric Power Cooperatives
Kyle Wetzel, Kansas Renewable Energy Working Group
JoAnn Hablutzel, Sierra Club
Mark Schreiber, Westar Energy
Jim Ploger, Kansas Corporation Commission
Barb Conant, Kansas Trial Lawyers

Others attending: See Attached List

HB 2018 - Renewable energy electric generation cooperative act

Chairman Holmes opened the hearing on **HB 2018**.

Bruce Graham, Vice President of Member Services and External Affairs for Kansas Electric Power Cooperatives, Inc., appeared in support of **HB 2018** (Attachment 1). Mr. Graham told the committee that the bill was a result of the cooperatives of Kansas pledging to work with the renewable industry and Representative Sloan to address their concerns. He expressed their appreciation for the opportunity to work with the advocates on this cooperative venture in order to find a business structure that was acceptable and that recognizes the regulatory obligations and expenses of the existing utility.

Kyle Wetzel, appearing on behalf of the Kansas Renewable Energy Working Group, testified in support of **HB 2018** (Attachment 2). Mr. Wetzel stated the group supported the bill for three reasons: it offers small independent generators of renewable energy an opportunity to recognize better financial return on their investment; it provides for the creation of standard provisions for interconnection agreements for small generation systems; and it provides the means of funding expansion of the transmission system through issuance of revenue bonds.

JoAnn Hablutzel, appearing for the Sierra Club, offered testimony as a proponent of **HB 2018** (Attachment 3). Ms. Hablutzel stated the bill would assist landowners in developing their wind resources and guarantees renewable resource coops transmission access to the transmission grid with interconnection standards that will be developed by the Corporation Commission.

Mark Schreiber, Senior Manager Government Affairs for Westar Energy, addressed the committee in support of **HB 2018** (Attachment 4). Mr. Schreiber said that having the ability to consider the Kansas Development Finance Authority as a source of revenue bonds for use in upgrade transmission systems could be a helpful

tool.

Jim Ploger, Manager of the Kansas Corporation Commission's Energy Programs Division, appeared as a proponent to **HB 2018** (Attachment 5). Mr. Ploger explained that this proposed legislation's goal was to open doors, and empower Kansas land owners to find new ways to do what the existing utilities have not been able to do, that is get on with broad development of renewable energy in a way that maximizes benefits to Kansans.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES, Room 526-S Statehouse, at 9:06 a.m. on February 4, 2003.

Barb Conant, Director of Public Affairs for the Kansas Trial Lawyers Association, offered testimony in support of **HB 2018** (Attachment 6). Ms. Conant offered an amendment to assure consistency and clarity regarding easements. She stated the co-ops and the bill's sponsor have approved this recommended amendment.

The conferees responded to questions from the committee.

Chairman Holmes closed the hearing on **HB 2018**.

Chairman Holmes announced that the sub-committee on security cost recovery would meet upon adjournment of the Utilities Committee meeting and at 3:30 on Thursday. He also announced that the committee would hold a hearing on **HB 2131** on the following Monday, would work **HB 2019** on Tuesday and Wednesday, would be hearing **HB 2186** (the Cold Weather Rule bill) next Thursday, and that the following Friday's scheduled would be announced.

HCR 5007 - Concurrent Resolution urging FERC to take action to ensure expansion and improvement of the electric transmission system.

Chairman Holmes opened the debate on **HCR 5007**. Representative Sloan distributed a balloon amendment (Attachment 7). Representative Sloan moved to adopt the balloon. Representative Reitz seconded the motion. The motion carried. Representative Sloan moved to recommend HCR 5007 favorable for adoption as amended. Representative Reitz seconded the motion. The motion carried. Representative Sloan will carry the resolution.

The meeting adjourned at 10:02 a.m.

The next meeting will be Wednesday, February 5, 2003 at 9:00 a.m.