

MINUTES

SPECIAL COMMITTEE ON ENERGY, NATURAL RESOURCES, AND ENVIRONMENT

September 17, 2007
Room 241-N—Statehouse

Members Present

Representative Carl Holmes, Chairperson
Representative Josh Svaty, Ranking Minority Member
Senator Marci Francisco
Senator Carolyn McGinn
Senator Mark Taddiken
Representative Ty Masterson
Representative Terry McLachlan
Representative Larry Powell
Representative Gene Rardin
Representative Don Schroeder

Staff

Jason Long, Office of the Revisor of Statutes
Jason Thompson, Office of the Revisor of Statutes
Cindy Lash, Kansas Legislative Research Department
Hank Avila, Kansas Legislative Research Department
Mary Galligan, Kansas Legislative Research Department
Matt Todd, Office of the Revisor of Statutes
Renaë Hansen, Committee Assistant

Others Present

Representative Annie Kuether
Representative Joe Hummerickhouse

Chairperson Carl Holmes opened the meeting. He informed the members of the Committee topics, with the focus to begin on energy efficiency. He distributed a handout of a slide presented to him during a recent conference call in which he participated ([Attachment 1](#)). He also distributed another copy of a slide that contained suggestions to improve energy efficiency ([Attachment 2](#)).

The Chairperson then opened the hearings and referred to the Comprehensive Study of the

Energy Efficiency of State and Local Government Buildings.

He called on Jason Long, Office of the Revisor of Statutes, who presented a brief memorandum on existing statutes, regulations, and executive orders regarding energy conservation and efficiency in state and local government buildings ([Attachment 3](#)). Included were copies of the specific statutes relating to energy efficiency.

Senator Taddiken asked a question pertaining to the regulation of commercial construction. It was noted that this was a policy and not a rule or regulation set forth by statute. Representative Powell also asked the range of temperatures set for government buildings. It was noted that the policy is 65 degrees Fahrenheit in the winter and 78 degrees Fahrenheit in the summer.

The Chairperson next called on Cindy Lash, Kansas Legislative Research Department. Ms. Lash presented nationwide state activities regarding energy efficiency in state and local buildings. She shared a memorandum that pertains to building standards commonly cited by states in energy efficiency initiatives ([Attachment 4](#)). It is commonly encouraged that buildings try for at least the Leadership in Energy and Environmental Design (LEED) certified or silver certification. Ms. Lash also presented a green building scoring system. She shared a comprehensive look at other statutes and executive orders nationwide for energy efficiency in state and local buildings ([Attachment 5](#)). Of interest is the regulation for Washington D.C. that requires any building over 50,000 square feet to achieve LEED certification beginning January 2012.

Representative Rardin asked a question relating to the use of the Energy Star program. It was noted that it typically was not listed in the building conservation practice. Energy Star is a federal Department of Energy challenge for reducing energy usage. Senator McGinn noted Texas was the only state that requires local governments to use the Energy Star program on government buildings. Representative Powell asked what standards current buildings were matching to in the Star system. Representative Masterson asked about information on actual buildings under construction and their estimated saving point makeup. Senator Taddiken asked if there was a state review process that monitored saving energy. Senator Francisco clarified the LEED standard focus on overall energy/efficiency/water savings.

The Chairperson next called on Kim Winn, League of Kansas Municipalities, who noted the League's approach to the energy efficiency issue and how communities might create policy and changes ([Attachment 6](#)). She said each community may develop different ways to apply energy efficiency programs. The goal is to establish a unified policy.

Representative Kuether suggested that the Committee ask representatives of the high school at Greensburg, Kansas, to speak to the Committee on what is being done to be an Energy Star building, as they rebuild after the tornado destroyed their city. Senator Taddiken asked about any city that has applied for federal and state funds. He said that there have been questions about cities qualifying as legal entities. Representative Powell noted that some cities charge more for utilities in lieu of taxing a higher mill levy to cover government/school costs.

Chairperson Holmes called on Dennis Quiring, Risk Manger, Newton, Kansas, who provided the history and background of upgrading the energy efficiency of some buildings in Newton, Kansas ([Attachment 7](#)). He said that the City of Newton learned the quickest way to get payback for energy efficiency is to replace the lighting system with a return of cost upgrade at about 16-18 months. Included in his presentation were details of Newton officials' upgrades and the success of the project. He said they combined engineering with financing principals to reach their goals.

Senator McGinn asked what the low and high is for the zones for building temperatures. It was noted that there is a computer base, whereby, those temperatures are monitored and changed based on the need and usage of the space heated and cooled. Senator Taddiken was interested

in the cost savings projections and if they were based on an inflation rate. Mr. Quiring noted that the company hired to perform the upgrade uses engineering and financial expertise to guarantee it makes money on the project. Representative Holmes asked how many companies perform these evaluations and recommendations. Mr. Quiring replied that at the time of the project, only four did this work. The company hired is the only one they are aware of that would service a community of this size. Mr. Quiring said projects like this take much preplanning. He further noted that the financing was obtained through the sale of bonds. He also said that some funds are paid back by the savings generated by the project.

Russ Rudy, Kansas Corporation Commission (KCC), presented a report that focused on the Facility Conservation Improvement Program (Attachment 8). He said many company buildings are lit during the day by daylight-saving electricity. He said that daylight-saving electricity facilities also have been noted to have higher sales and less worker absenteeism. He added that one of the biggest resource-saving measures is conservation. Mr. Rudy informed the Committee that William McDonough is a designer of buildings that are energy efficient and energy-conservation friendly. He referred to a book entitled "Green to Gold." He said that the KCC is enlisting two engineering firms that are investigating jobs that have not met energy savings expectations. He also said that the KCC uses a tiered system that has a higher percentage of return on smaller projects to encourage the smaller projects. As financing has been an issue with projects, they are working on options to fund projects. Quick Energy Simulation Tool (eQUEST) is a website where a person can analyze energy efficiency ideas. He said the KCC is looking at the Capitol Complex, noting projects to reduce energy usage and allow the state to defer money to other necessary maintenance projects on the existing buildings. Quick payback and low cost are what the KCC looks for, but there is a necessity to aggregate the monies saved for long-term, large projects.

Following this testimony, Representative Holmes asked Mr. Rudy to explain the entire KCC program. Mr. Rudy explained that cost, payback, return, and analysis are considered. The KCC then can determine if it wants to invest. The KCC also looks at other ideas to improve projects. Senator Taddiken noted that many projects were under the million dollar mark that was noted as a cap for builders to be interested. Mr. Rudy explained that some companies have different cap amounts. Senator McGinn informed the Committee that only a fraction of school districts participate in the program. Mr. Rudy replied that he would contact more districts to consider this program. Representative Schroeder asked about moving forward on the quick return projects. Mr. Rudy said that he preferred larger projects because they have longer term results. Representative Masterson asked about the projects that have had savings shortfalls. The two projects involved are at Kansas University and Kansas State University. Mr. Rudy answered that the KCC is analyzing the reasons for these shortfalls. He said the KCC thinks the institutions should be getting the savings, and are trying to identify the reason why the results do not show a savings. Mr. Rudy suggested that using the quick payback of smaller projects would help get some larger projects started.

Representative Holmes asked for further questions to be submitted to staff and answered at a later meeting.

Marilyn Jacobson, Director of Facilities Management, Kansas Department of Administration, presented testimony noting certain cost savings programs and projects that result in utility savings of over one million dollars, accumulated in the last three years. She said several motor vehicle contracts are upgraded to include automobiles with a higher miles per gallon rating. The Landon and Docking State Office Buildings are relegated to the bottom of the list for upgrading, as their longevity is being currently assessed (Attachment 9).

Senator Francisco asked if the Department of Administration had discussed peak demand issues with utility companies. Ms. Jacobson replied that it is part of its directive to look at the utility data and analyze them. Representative Holmes raised the question of whether it might be better to

place the executive directive in statute so that when the current state executive leaves office, this policy will continue. No direct answer was given. Representative Powell asked whether the survey of state employees required to be done by July of 2007 was completed. Ms. Jacobson noted there were over 4,900 responses to the survey and analysis was to be done by some time in October 2007.

The next conferee was Robert Courtney, Energy Manager, USD 233, Olathe, who explained the utility monitoring and energy savings programs of the Olathe District. He said that in the last 15 years, the program has accrued \$13.1 million in decreased utility costs. Included in his testimony are several charts noting current cost, usage, and overall growth of the district in conjunction with projects that have been implemented (Attachment 10).

Following Mr. Courtney's presentation, Representative Holmes asked how easy it was to implement these programs. Mr. Courtney replied that there is a consortium of school districts that work together. Representative Holmes asked what it would take to get other school districts to implement similar programs. Mr. Courtney replied that any program has to have widespread support. Representative Holmes asked how much resistance would occur if the state would mandate that school districts be part of this program before the state would match building funds for districts. Mr. Courtney noted that Olathe did their programs without mandate. He added that some districts would not be able to comply and that it might be more positive to show other districts how this can be done. Representative Schroeder asked if the students were involved with energy efficiency/savings issues. Mr. Courtney noted that in the grade schools they have the last student in line leaving the classroom become the energy manager of the classroom: closing the door and shutting off the lights.

The Committee next heard from various Kansas community colleges on energy-efficiency efforts.

Dr. Vicky Smith, President, Neosho County Community College, presented testimony noting how Neosho County Community College has upgraded its facilities using energy efficient upgrades. She noted that the institution had major facility decline problems. She explained that they chose to solve their infrastructure issues by using the energy performance contract process (Attachment 11). Additionally, they used the Kansas Facilities Conservation Improvement Program. Included in Dr. Smith's testimony are explanations and details of how they made the improvements to the Community College.

The next conferee was John Masterson, President, Allen County Community College. Mr. Masterson spoke to the Committee about the College's seven-year capitol improvement plan, updated annually (Attachment 12). He said projects are dropped as they are completed and new ones are added annually. He explained the projects chosen and how they are carried out.

Dr. Gerald Baird, Executive Vice-President, Administrative Services, Johnson County Community College, discussed opportunities for an environmental scan on the campus. He brought a copy of the September 13, 2007, campus newspaper, *Ledger*, noting college campus awareness of moving toward using clean energy. Dr. Baird spoke to the Committee about a document that the College publishes yearly that analyzes the entire campus and identifies projects to focus on each year (Attachment 13).

Following this presentation, Senator Taddiken raised the question of savings due to the large cooling tank on the Johnson County Community College (JCCC) campus. Dr. Baird estimates that the college saves about \$60,000-\$70,000 per year because the structure cools the water during off-peak hours. Representative Holmes asked about the winter heating units at JCCC. Dr. Baird said they use external heating. Senator Taddiken also asked Dr. Smith about the measured savings

method. Dr. Smith noted that the federal government has developed definitions and three options that an entity can use. Before energy can be saved, they put meters on all the energy-using items. Then they do the project and measure the energy used after the project (Attachment 14). Representative Holmes asked how to encourage other community colleges to get involved in such measures. Dr. Baird replied that some legislation on deferred maintenance gives incentives to organizations to make some conservation measures viable. Sheila Frahm, Executive Director, Kansas Association of Community College Trustees, noted that it might be necessary to amend the deferred maintenance bill to make it more user friendly. Representative Masterson commented that involving the student body in the energy efficiency process might be beneficial to the students and the school. Dr. Smith noted that sharing the information about these programs with other colleges is a way to get the programs used in other colleges. Representative Schroeder asked Dr. Smith about the use of energy performance contracts for other projects. She noted that it was good to use them, but that they are not able to do all projects that way because of the time factor and the large number of projects they have to address.

The next item on the Committee's agenda was Regents Institutions' Energy Efficiency Activities.

Eric King, Director of Facilities, Kansas Board of Regents, presented opening remarks and comments on the Regents' institutions and their energy improvements. He discussed two optional methods of finance that universities could use, noting the chart on page 2 of his testimony, outlining the method each institution used (Attachment 15). Included in the testimony are university-by-university requests for energy-efficient projects that are anticipated to be requested the coming year.

Jim Modig, Director of Design and Construction Management, University of Kansas, spoke to the Committee on projects that the University has implemented. The project that has not met expectations is paying out the nonprojected amounts back to the University on a yearly basis from the original contract company. He talked about fuel-saving projects for motor vehicles they use and recycling efforts that the University implements. The recycling effort generates about \$25,000 yearly. He talked about other energy-efficient measures the University uses for its heating and cooling efforts.

Don Rau, Director of Facilities Management, University of Kansas Medical Center, presented a time line of the Center's effort on energy conservation from 1989 to the present year, noting project costs and annual savings (Attachment 16). He noted the automated heating and cooling system and additionally, the recycling program with which the students are involved.

Dr. Ed Rice, Associate Vice-President, Kansas State University, discussed projects that the University has implemented recently on the Manhattan and Salina campuses.

Woodrow DePontier, Director of Physical Plant, Wichita State University, offered testimony to the Committee with historical documentation outlining the University's energy-conservation measures (Attachment 17).

Bill Hartman, Director of Building Services, Utilities and Systems Maintenance, Emporia State University, presented information about light fixtures that use florescent bulbs. He said savings were approximately \$50 during the life of the bulb. He added that the light bulb replacement job positions went from three positions to one-half position. All of their heating and cooling systems are more efficient and cost saving. Many of their projects were funded by the Exxon overcharge program. He submitted a contract award that they have with Schankie Well Service, Inc. whereby they exchange a surplus amount of jet fuel for the kinds of fuel that they actually use (Attachment 18).

Dr. Howard Smith, Assistant to the President/Legislative Liaison, Pittsburg State University, presented testimony to the Committee noting energy efficiency activities the University has

implemented ([Attachment 19](#)).

Mr. Todd Powell, Assistant to the President, Fort Hays State University, gave a brief overview of what their university has implemented to save energy and, therefore, costs to the University ([Attachment 20](#)).

During the question-and-answer period, Representative Svaty asked whether any university used students to help develop ideas to save energy. It was noted that it was not known if any specific colleges were tasking their students with energy issues, but there were some projects where students are involved. Senator Taddiken asked if there were discussions at the University on peak-load activities and moving them to non-peak times. Mr. Modig noted he had not been involved with any of those discussions whereby classes might be added or changed to non-traditional times to allow for usage of classrooms in non-peak energy usage times. Representative Holmes asked, considering the number of programs today, what could be done to improve those programs. Mr. Hartman said there are several countries that are outlawing the use of incandescent light bulbs. Representative Powell asked about the mercury content of the florescent light bulbs, and it was noted that there is a recycling program.

The Chairperson called on Chuck Simmons, Deputy Secretary of Facilities Management, Kansas Department of Corrections, who gave a printed slide presentation on the Department of Corrections energy-savings programs ([Attachment 21](#)).

Senator Taddiken asked about the status of energy efficiency in institutions. Mr Simmons explained that given the age of the facilities there are not a lot of things that can be done to the buildings that were built in the late 1800s. Representative Powell wondered if there were any figures from the Larned mental health facility compared to other facilities, as it is newer.

Gary LaShell, Architect, Department of Social and Rehabilitation Services (SRS), gave the Committee an overview of the State's SRS facilities. He noted that everyone must continue to do preventive maintenance ([Attachment 22](#)).

Following this testimony, Representative Hummerickhouse made a comment on the state of the improved Dillon House and the upgrades at that facility.

Chairperson Holmes then opened the meeting to Committee discussion.

Chairman Holmes cited the items on the agenda for Thursday and asked Committee members to offer suggestions for other conferees. He indicated that he wanted an explanation from the universities that fell short on energy savings costs. Representative Svaty said he wanted to know whether students are encouraged to participate in energy-saving ideas like the ones of Johnson County Community College. Representative Powell said he wanted information on energy cost projections. Representative Holmes also said he wanted to hear how schools and educational facilities that are not using these energy savings matters could be encouraged to develop potential saving ideas. Senator Francisco said she would like some way to compile the losses of energy of school districts. Representative McLachlan asked if the Committee could obtain a report on the universities that meet standards on energy efficiency. Representative Hummerickhouse answered that it would be difficult to get universities to divert budget monies for that purpose. Representative Francisco would like to know what code would provide the most information and the best energy performance. It was suggested that the Committee look to the LEED standards with the goal toward exceeding those requirements. Senator Taddiken asked that perhaps the Committee look at the IEEC standards to get away from the skewing of the LEED standards.

Representative Holmes then asked members to come back to Thursday's meeting with ideas of the direction to discuss during the 2008 Legislative Session.

Meeting adjourned at 4:55 p.m.

Prepared by Renae Hansen
Edited by Hank Avila

Approved by Committee on:

October 22, 2007
(Date)