

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 12, 2008 in Room 784 of the Docking State Office Building.

All members were present except:

Representative Rob Olson (Vice Chair)- excused
Representative Jason Watkins- excused
Representative Richard Proehl- excused
Representative Oletha Faust-Goudeau- excused

Committee staff present:

Mike Corrigan, Revisor of Statutes Office
Mary K. Galligan, Kansas Legislative Research Department
Ryan Hoffman, Kansas Legislative Research Department
Barbara Lewerenz, Committee Assistant

Conferees appearing before the committee:

Wes Ashton, Manager of Government Affairs, Aquila
and Representative of Kansas Gas Service, a Division of Oneok
Colin Hansen, Executive Director, Kansas Municipal Utilities
Larry Berg, Vice President, Corporate Relations, Midwest Energy, Inc.
Whitney Damron, Lobbyist, The Empire District Electric Company
Tom Thompson, Lobbyist, Kansas Chapter of the Sierra Club
Joe Spease, President, Pristine Power
Raymond H. Dean, Prof. Emeritus, EECS, University of Kansas
Reid Nelson, Private Citizen

Others attending:

See attached list:

Chairman Myers announced continuing hearing on **HB-2949- Kansas energy plan act**,

Proponent

Chairman Myers recognized Wes Ashton, representing Aquila and Kansas Gas Service, a division of Oneok (Attachment # 1). Mr. Ashton spoke in favor of the bill, but requested that Section 5 of the bill be rewritten to strike the word "negligible" when referring to the future of natural gas and leave appropriate proportions of natural gas and coal up to the individual utilities.

Neutral

Chairman Myers recognized Colin Hansen, Kansas City Board of Public Utilities (Attachment # 2).. Mr Hansen said the need for base-load power both now and in the future is real. Municipal utilities rely on purchase power agreements, yet are transmission dependent and capital constrained. He recommended that fuel mix standards set forth in the bill be considered goals rather than mandates.

Chairman Myers recognized Larry Berg, Midwest Energy, Inc. (Attachment # 3). Mr Berg stated that Midwest Energy produces a larger proportion of renewable energy than any other utility in Kansas. They have been unable to obtain any commitment from any electric generation utility in Kansas to provide base-load resources. If it is necessary to purchase base-load energy under short-term agreements, it most likely will increase cost to the consumer. He recommended that the percentages of generation targets in the bill be approximate.

Chairman Myers recognized Whitney Damron, The Empire District Electric Company (Attachment # 4). Mr Damron said that Empire will continue to monitor the future of base-load generation in the region to include nuclear, pulverized coal and new technologies as they emerge. The company's objectives are to provide cost-effective, safe and reliable electric service to customers.

Opponents

CONTINUATION SHEET

MINUTES OF THE Select Committee on Energy & Environment for the Future at 1:30 PM on March 12, 2008 in Room 784 of the Docking State Office Building.

Chairman Myers recognized Tom Thompson, Kansas Chapter of the Sierra Club (Attachment # 5). The Sierra Club is in opposition to HB-2949, but appreciates the committee's attempt to begin work on an energy plan for Kansas. They would like to see a plan that considers sustainability, pollution control and other environmental issues.

Chairman Myers recognized Joe Spease, Pristine Power (See Attachment # 6). Mr. Spease urged committee members to vote against **HB-2949** and instead develop programs to support the wind and solar projects.

Chairman Myers recognized Raymond H. Dean, Professor Emeritus, EECS, University of Kansas (See Attachment # 7). Professor Dean requested that the bill's definition of base-load generation include wind, gas, compression storage and adiabatic energy storage.

Chairman Myers recognized Reid Nelson, a private citizen (Attachment # 8). Mr. Nelson stressed energy efficiency and asked that it be included in the bill. He cited Vermont and Texas as states with aggressive efficiency policies that have limited growth in energy usage.

Conferees agreed to furnish statistics requested by committee members on residential and commercial facilities heated by gas and information on coal-fire plants of Iatan 2, Plum Point and Pueblo.

Being no further conferees, the Chairman closed the public hearing. The meeting was adjourned at 2:55 p.m.