

Approved: February 4, 2010

Date

MINUTES OF THE SENATE UTILITIES COMMITTEE

The meeting was called to order by Chairman Pat Apple at 1:30 p.m. on January 28, 2010, in Room 548-S of the Capitol.

All members were present except  
Sen. Masterson, excused.  
Sen Emler, excused

Committee staff present:

Kristen Kellems, Office of the Revisor of Statutes  
Matt Sterling, Office of the Revisor of Statutes  
Raney Gilliland, Kansas Legislative Research Department  
Cindy Lash, Kansas Legislative Research Department  
Ann McMorris, Committee Assistant  
Jeannine Wallace, Sen. Apple's Office Assistant

Conferees appearing before the Committee:

Ed Cross, Kansas Independent Oil & Gas Association  
Wayne Penrod, Sunflower Electric Power Corporation

Others attending:

See attached list.

Chair opened the hearing on:

**SR 1805 - Directing state and federal leaders to consider fair approaches to possible global climate change regulations**

**Proponents**

Ed Cross, KIOGA, expressed support of **SR 1805** and referred to areas to keep in mind in debating this issue. (Attachment 1)

Wayne Penrod, Sunflower Electric Power Corporation, voiced their concern about the language affirming global climate change and offered suggested changes. (Attachment 2)

Chair closed the hearing on **SR 1805**.

Committee members offered various changes and additions to the language. Shari Albrecht of KDHE was asked about the availability of statistics on GHG (greenhouse gases) and Ms. Albrecht indicated she would prepare a chart for the committee. Senator Brownlee urged caution in moving on this resolution. No action was taken until more information is available.

The next meeting is scheduled for February 1, 2010.

The meeting was adjourned at 2:15 p.m.

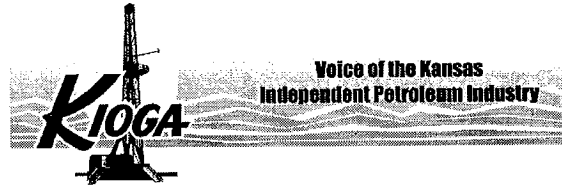
Respectfully submitted,

Ann McMorris  
Committee Assistant

Attachments - 2

**SENATE UTILITIES  
COMMITTEE GUEST LIST  
JANUARY 28, 2010**

NAME	REPRESENTING
Dane Holtman	KEC
WALTER PERROTT	Sun Power
Ed Cross	KIDGA
Mark Schweiber	Westar
Kimberly Sady	KMU
Corey Fisher	KDOC
Melson Kruger	SARE West
Mick Usher	ONEC
Leslie Kaufman	KS CO-op Council



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**Testimony to the Senate Utilities Committee**

**Senate Resolution 1805**

**A Resolution urging the leaders of the state of Kansas and the United States to address global climate change while safeguarding American jobs and America's global competitiveness**

Edward P. Cross, President  
Kansas Independent Oil & Gas Association

January 28, 2010

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Good afternoon Chairman Apple and members of the committee. I am Edward Cross, President of the Kansas Independent Oil & Gas Association (KIOGA). KIOGA represents the interests of independent oil and gas producers in Kansas. With over 1,400 members from across the entire state, KIOGA is the lead state and national advocate for Kansas independent oil and gas producers. Our members account for 86% of the oil and 63% of the natural gas produced in Kansas. I am responsible for public policy advocacy and interaction with external stakeholders including elected officials, regulators, governmental decision-makers, and community thought leaders. I am here this afternoon to express our support for Senate Resolution 1805 (SR 1805).

Climate change concerns have elected officials around the world looking for a method to reduce greenhouse gases (GHG), primarily carbon dioxide created by the burning of fossil fuels. Some believe GHG, and carbon dioxide in particular, are contributing to climate change and want to create a system to regulate GHG emissions. As this issue is debated, please keep in mind:

- Increased costs to consumers and energy producers will be unavoidable;
- There will be increased volatility in energy prices;
- Raising the price of energy during a recession will damage the U.S. and Kansas economy further;


**Senate Utilities Committee**  
**January 28, 2010**  
**Attachments 1-1**

- Regulatory oversight of any GHG emissions program would be expensive. Big government would get bigger;
- Claims of increased jobs are misplaced;
- Loss of free market. Markets would be set by government through allocation of emission allowances;
- Creates competitive disadvantages for U.S. companies;
- Economic loss with very little attendant environmental gain would result;
- And more.

The bottom line is this. If the industrialized nations have a carbon tax or other emission control system and that same tax or system is not applied identically in less developed nations, more manufacturing products consumed by the industrialized nations will come from countries without a comparable tax or system. Industrialized nations will appear to have lowered emissions when in reality they will have just exported the emissions along with the manufacturing jobs. We agree that our State and nation should address global climate change and GHG emissions in a manner that promotes American jobs, save American citizens and industries from higher energy prices, and champions the global competitiveness of American industry. As such, KIOGA is supportive of SR 1805. Thank you for your time and consideration.



# SUNFLOWER ELECTRIC POWER CORPORATION

A Touchstone Energy® Cooperative 

**TESTIMONY OF  
WAYNE PENROD, EXECUTIVE MANAGER, ENVIRONMENTAL POLICY  
SUNFLOWER ELECTRIC POWER CORPORATION  
ON SENATE RESOLUTION 1805  
BEFORE THE SENATE UTILITIES COMMITTEE  
POSITION: NEUTRAL  
January 28, 2010**

We have reviewed the language of SR 1805 and appreciate the spirit of this resolution. We certainly agree that no legislation – energy or otherwise - should cost jobs in the U.S.

We are concerned about the language in the resolution affirming global climate change is a problem that needs to be addressed. Given the recent news about the researchers at East Anglian University in England and recent global cooling temperature trends, it seems additional study and research should be conducted to determine if the recorded climate changes (warming, now cooling) are, in fact, related to manmade greenhouse gas emissions.

Given the uncertainty surrounding this research, we believe the resolution would be strengthened if the language were modified as enclosed. This change in language supports the spirit of the resolution but will not jeopardize U.S. jobs and economic recovery.

**Senate Utilities Committee  
January 28, 2010  
Attachments 2-1**

SENATE RESOLUTION No. 1805—

A RESOLUTION urging the leaders of the state of Kansas and the United States to only address global climate change if it can be done while safeguarding American jobs and America's global competitiveness.

WHEREAS, The greenhouse gas emissions of developing countries are rising more rapidly than the emissions of the United States and have surpassed the greenhouse gas emissions of the United States and other developed countries;

WHEREAS, Kansas's greenhouse gas emissions account for only 0.23% of global greenhouse gas emissions; and

WHEREAS, Any system to regulate greenhouse gas emissions must not eliminate American jobs nor diminish the ability of American industry to compete in the global marketplace; and

WHEREAS, Any system to regulate greenhouse gas emissions must reward, not punish, early adopters of energy efficient technologies and practices; and

WHEREAS, Any system to regulate greenhouse gas emissions must adopt an international component to prevent "emissions leakage" and ensure that emissions do not simply migrate to another state or nation; and

WHEREAS, The only manner to quantify these emissions is through a domestic and international greenhouse gas emissions registry that is uniform, transparent, and verifiable; and

WHEREAS, Any system to regulate greenhouse gas emissions must ensure that the adopted regime does not result in the off-shoring of international trade sensitive industries; and

WHEREAS, Manufacturing accounts for \$15.2 billion of Kansas's gross state product and is the number one contributor to the state's economy. Kansas has already lost 20,700 manufacturing jobs since 1998; and

WHEREAS, Any system to regulate greenhouse gas emissions must ensure the availability of sufficient, affordable energy, including clean energy, before restricting emissions in a manner that could reduce the volume of energy available to consumers; and

WHEREAS, Any system to regulate greenhouse gas emissions must provide credits or allowances to support operations that reduce greenhouse gas emissions:

Now, therefore,

*Be it resolved by the Senate of the State of Kansas:* That the Senate of the state of Kansas and the United States should ~~combat global climate change and reduce greenhouse gas emissions~~ support continued improvements in energy technologies in a manner that further reduces all emissions, promotes American jobs, saves American citizens and industries from higher energy prices, rewards early adopters of efficient practices and technologies, prevents “emissions leakage” and champions the global competitiveness of American industry; and

*Be it further resolved:* That the Secretary of the Senate be directed to send enrolled copies of this resolution to the governor of the state of Kansas, Mark Parkinson, and the Kansas Congressional delegation.