

MINUTES OF THE HOUSE ENERGY AND UTILITIES COMMITTEE

The meeting was called to order by Chairman Carl Holmes at 9:15 A.M. on January 13, 2011 in Room 785 of the Docking State Office Building.

All members were present.

Committee staff present:

Cindy Lash, Kansas Legislative Research
Corey Carnahan, Kansas Legislative Research
Matt Sterling, Kansas Legislative Revisor
Renaë Hansen, Administrative Assistant

Others attending:

Forty including the attached list.

Representative Holmes noted that we will be meeting next Thursday despite the House trip to Ft. Riley as no one from the committee has signed up to attend.

Bill introductions will be offered beginning next week.

Representative Tom Sloan presented an article from The New York Times on the importing of coal by China from other countries. (Attachment 1)

Lobbyists spoke to the committee on the various entities they represent.

Included on the list of individuals who spoke to the committee are:

- Mike Murray-Next Era Energy Resources
- Lon Stanton-Northern Natural Gas
- John Federico- Kansas Cable Telecommunications Association
- Coleen Jennison/Schneider, Cox
- Steve Hahn, AT&T
- John Idoux, Century Link
- Patrick Fucik, Sprint
- Deena Fisk, Verizon
- Darcy Meese, Water One
- Dan Nagengast, Kansas Rural Center
- Trudy Aron, American Institute of Architects

Informational hearing on:

Weatherization

Ray Hammarlund, KCC, provided testimony explaining the weatherization program in Kansas (Attachment 2). Additionally, included in his information were several maps :

- Efficiency Kansas Partner Lenders and Partner Utilities (Attachment 3)
- Efficiency Kansas Energy Audits and Completed Projects (Attachment 4)
- Recovery Act Block Grant Programs and Projects (Attachment 5)

CONTINUATION SHEET

The minutes of the House Energy and Utilities Committee at 9:00 A.M. on January 13, 2011, in Room 785 of the Docking State Office Building.

Mr Hammarlund explained to the committee several programs that the Kansas Energy Office promotes and runs in the state of Kansas including: The Facility Conservation Improvement Program, Efficiency Kansas, and Energy-Efficiency Conservation Block Grants.

Dennis Mesa, Kansas Housing Resources Corporation, (Attachment 6) presented information on the weatherization program activity in the state of Kansas that is offered through their office.

Questions were asked and comments made by Representatives: Nile Dillmore, Carl Holmes, Annie Kuether, Forrest Knox, and Vern Swanson.

Other staff of KCC and KHRC helped to answer questions asked by the committee.

The next meeting is scheduled for January 18, 2011.

The meeting was adjourned at 10:37 A.M.

HOUSE ENERGY AND UTILITIES COMMITTEE

GUEST LIST

DATE: January 13, 2011

NAME	REPRESENTING
Nick Reed	Sprint
Ryan Vincent	KHRC
Dennis Mess	KHRC
George Shubert	at Bt
Scott Paradise	Hartman di
Kimberly Sraty	GSFA
Coleen Jensen	Cox
BRETT BITNER	KCC
ANDY FRY	↓
MICHAEL DEUPREE	
DAN NAGENGAST	KRC
Jenny Green	Amer Inst of Architects
Don Caches	Sprint
Patrick Fucih	Sprint
John Idoux	Century Link
Corey Moha	KDOC
TOM DAY	KCC
Mark Schreiber	Westar
Doc Sprunze	Curb

HOUSE ENERGY AND UTILITIES COMMITTEE

GUEST LIST

DATE: January 13, 2011

NAME	REPRESENTING
JUDITH GARD	CAPITOL ADVANTAGE
MIKE MURRAY	" "
Dina Fisk	VERIZON
WADE HARBORD	CAPITAL ADVANTAGE
MIKE SCOTT	ATT
Steve Nahn	ATT
MIKE LOEFFLER	NORTHERN NATURAL GAS
BILL BRODY	" "
Lon Skutov	" "
SCOTT SCHNEIDER	COX COMMUNICATIONS
DAVE HOLTHUIS	KCC
Derek Hew	Hewlett Packard
John Peterson	Norfolk Natural Gas
Ryan Freed	KCC
Ray Hammond	KCC
Nelson Krueger	USC
Terry Diebolt	AT&T
Cindy Zaphel	AT&T
Tim Gortner	ATT

Booming China Is Buying Up World's Coal

By ELISABETH ROSENTHAL

Even as developed countries close or limit the construction of coal-fired power plants out of concern over pollution and climate-warming emissions, coal has found a rapidly expanding market elsewhere: Asia, particularly China.

At ports in Canada, Australia, Indonesia, Colombia and South Africa, ships are lining up to load coal for furnaces in China, which has evolved virtually overnight from a coal exporter to one of the world's leading purchasers.

The United States now ships coal to China via Canada, but coal companies are scouting for new loading ports in Washington State. New mines are being planned for the Rockies and the Pacific Northwest. Indeed, some of the world's more environmentally progressive regions are nascent epicenters of the new coal export trade, creating political tensions between business and environmental goals.

Traditionally, coal is burned near where it is mined — particularly so-called thermal or steaming coal, used for heat and electricity. But in the last few years, long-distance international coal exports have been surging because of China's galloping economy, which now burns half of the six billion tons of coal used

Continued on Page A10

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globally each year.

As a result, not only are the pollutants that developed countries have tried to reduce finding their way into the atmosphere anyway, but ships chugging half-way around the globe are spewing still more.

And the rush to feed this new Asian market has helped double the price of coal over the past five years, leading to a renaissance of mining and exploration in many parts of the world.

"This is a worst-case scenario," said David Graham-Caso, spokesman for the Sierra Club, which estimates that its "Beyond Coal" campaign has helped to block 139 proposed coal plants in the United States over the last few years. "We don't want this coal burned here, but we don't want it burned at all. This is undermining everything we've accomplished."

In Australia, environmental groups have repeatedly halted trainloads of coal headed to the export docks at Newcastle this fall, and flotillas of kayaking protesters have delayed cargo pickups by Asia-bound coal ships.

Julia Gillard, Australia's newly elected prime minister, promised during her campaign to "put a price on carbon" — in other words, make companies pay in some way for excessive carbon dioxide emissions. But environmentalists say that such laws will be meaningless if the country continues its nascent coal rush and "exports global warming to the world," as one group, Rising Tide Australia, puts it.

This summer an Australian company signed a \$60 billion contract with a state enterprise, China Power International Development, to supply coal to Chinese power stations beginning in 2013 from a vast complex of mines, called China First, to be built in the Australian outback. It was Australia's largest export contract ever, the company said.

The deal points to the love-hate relationship many wealthier countries have with coal: while environmental laws have made it progressively harder to build new coal-fired power plants, they do not restrict coal mining to the same extent.

That is partly because emissions accounting standards focus on where a fuel is burned, not where it is dug up; because the coal trade is a lucrative business; and because the labor-intensive mining industry creates jobs.

Such benefits are particularly hard to forgo in the midst of a recession. In the last two years, "There has been an awful lot of mining development, and much of it is based on the potential of these new markets," said David Price, director of the global steam coal advisory service at IHS-Cera, a global energy consultancy.

Vic Svec, senior vice president of Peabody Energy, the world's largest private coal company, said it was "planning to send larger and larger amounts of coal" to China.

"Coal is the fastest-growing fuel in the world and will continue to be largely driven by the enormous appetite for energy in Asia," he said.

The conflict between environmental and trade concerns is

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THE NEW YORK TIMES INTERNATIONAL MONDAY, NOVEMBER 22, 2010

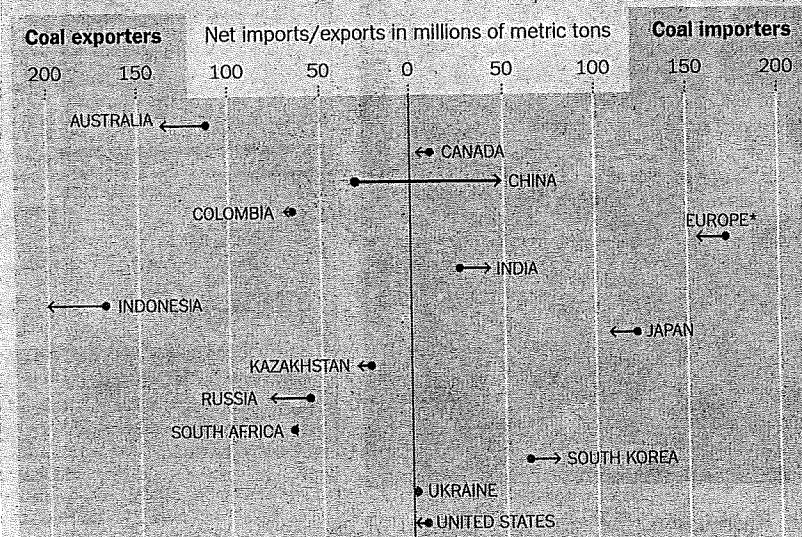
Booming China Buying Up World's Coal as Other Nations Cut Back

A Booming Business, Even as Nations Fret About Emissions

Last year China was among the world's top net coal importers — a major shift from 2007, when it was among the top net exporters. Australia and Indonesia vastly expanded exports to meet Chinese demand. Still, Japan and South Korea remain the world's top coal importers.

TOP TRADERS OF STEAM COAL (FOR ELECTRICITY AND HEAT)

The arrows reflect the movement of each country on the coal trade spectrum from 2007 to 2009. China moved to the net importers' side.

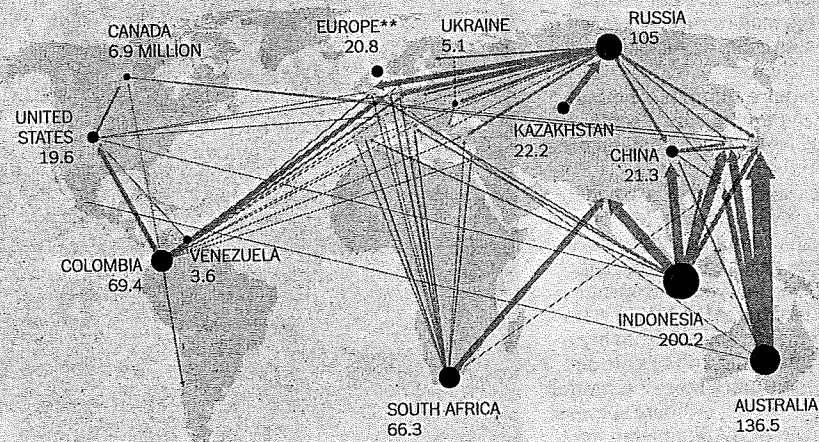


*The 23 European member nations in the Organization for Economic Cooperation and Development. Britain and Germany were the top steam coal importers in 2009, with 33 million and 32 million metric tons imported respectively.

Source: "Coal Information 2010" by the International Energy Agency

TOP STEAM COAL EXPORTERS

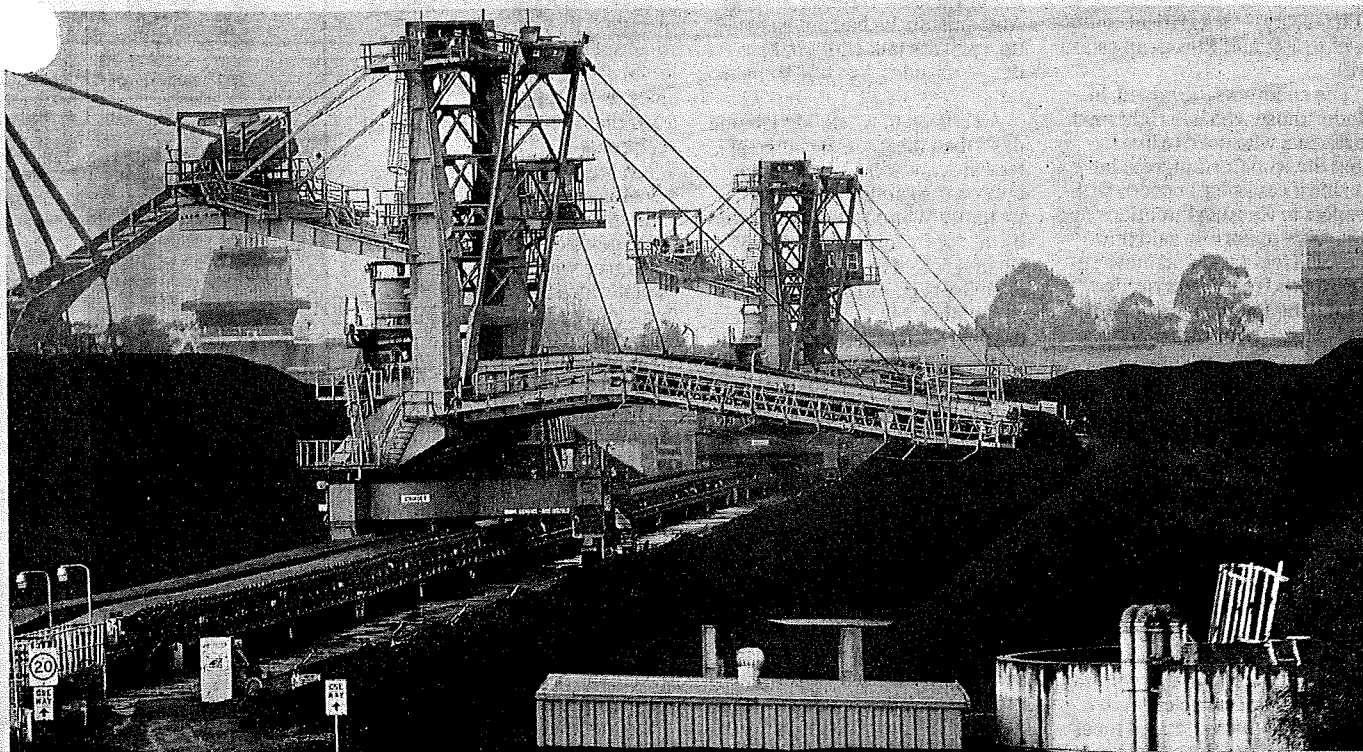
Circles show top exporters in 2009. Line width is proportional to the amount exported from each country, in millions of metric tons. Only exports over one million tons are shown.



**Europe as broken out here by the International Energy Agency includes 22 countries. The majority of the group's coal exports go to other European countries. Poland was the top European exporter, with 6.3 million metric tons.

THE NEW YORK TIMES

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JACK ATLEY/BLOOMBERG NEWS

Mounds of coal awaiting loading onto ships for export at the port of Newcastle, north of Sydney, Australia, in 2009.

BEYOND FOSSIL FUELS

Coal Flows to Growing Asia

Articles in this series examine innovative attempts to reduce the world's dependence on coal, oil and other carbon-intensive fuels, and the challenges faced.

➔ **ONLINE:** Previous articles in this series are available at nytimes.com/world

gaining momentum in the United States and Canada as well as Australia.

Last year, the United States exported only 2,714 tons of coal to Asia, according to the United States Energy Information Administration. Yet that figure soared to 2.9 million tons in the first six months of this year alone

— huge growth, though still a minuscule fraction of China's coal imports.

New mines are planned to expand the market further. Earthjustice, a nonprofit environmental law firm, is suing to block the lease of state-owned land in Otter Creek, Mont., to Arch Coal for mining to serve demand in Asia and elsewhere. Likewise, Peabody Energy and Australia's Ambre Energy have been separately expanding mines and exploring the idea of opening loading ports in the Pacific Northwest.

In Washington State, the city of Tacoma decided Friday that it would not host a proposed coal loading plant, citing "a multitude of business and community factors." This week officials in Cowitz County are expected to decide whether to grant a permit

for a proposed coal port in Longview, on the border with Oregon.

Environmental groups will be there to oppose the port, noting that policies in both states effectively block new coal-fired plants and that both have plans to close the few that remain. "It's one step forward, 10 steps back if we allow coal export in our region," said Brett VandenHeuvel, executive director of the environmental group Columbia Riverkeeper.

Likewise, environmentalists in British Columbia, which enacted the first tax on carbon dioxide emissions in North America two years ago, are incensed that Vancouver has blossomed into a major coal loading location. "It's just hypocritical," said Ben West, a spokesman for the Wilderness Committee, a Canadian conservation group.

This summer, Jim Prentice, who was then Canada's environment minister, announced a national phase-out of dirty coal-fired plants. But mines are primarily regulated by the provinces, said Henry Lau, a spokesman for the ministry. The Canadian government adds that while it is committed to its target of reducing emissions by 17 percent below 2005 levels by 2020, it has to balance "environmental and economic benefits for its citizens."

The growth and shifts in coal exports to China are impressive, flowering even during the recession. Seaborne trade in thermal coal rose to about 690 million tons this year, up from 385 million in 2001.

The price rose from \$40 to \$60 a ton five years ago to a high of \$200 in 2008. Coal delivered to

southern China currently sells for \$114 per ton.

China, which was a perennial coal exporter until 2009, the first year that it imported more than it sent out, is expected to import up to 150 million tons this year.

The lucrative export trade with China is expected to continue, said Ian Cronshaw, head of the energy diversification division at the International Energy Agency.

Although it has plentiful domestic supplies, China imports coal because much of its own is low-grade and contains impurities. Coal from the Powder River Basin of Montana and Wyoming tends to be low in sulfur, for example, allowing power plants to burn more without exceeding local pollution limits.

Additionally, much of China's coal is inland while the factories are on the coast; it is often easier to ship coal from North America, Australia or even South America.

Another emerging customer is India, whose coal imports rose from 36 million tons in 2008 to 60 million in 2009, the last full year for which data is available.

In Europe and the United States, coal seems past its prime, with consumption generally down from five years ago because of the recession, environmental laws and a greater reliance on natural gas and renewable energy.

For some economies, China has been a lifesaver. Although Colombia's coal exports collapsed in 2008 when demand in America and Europe plummeted, they revived this year, with 10 million tons going to Asia.

For Australia, coal exports to China grew from \$508 million to \$5.6 billion between 2008 and 2009, government statistics show. While it still sends more coal to its longtime customers Japan and Korea, that balance could shift as Australian coal giants sink billions into new projects like China First.

"They are betting that there will be great markets for coal in China," Mr. Cronshaw said.

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Kansas Energy Office
House Energy and Utilities Committee
Testimony for January 13, 2011

Chairman Holmes and members of the committee, I am Ray Hammarlund, Director of the Kansas Energy Office. I am pleased to be here today to update you on the activities of the Kansas Energy Office. Ryan Freed, Energy Efficiency Programs Manager of the KEO, is also here and will answer any detailed and specific questions you may have.

The mission of the Kansas Energy Office is to promote energy conservation and efficiency in Kansas and to serve as a clearinghouse for information on alternative energy and other energy topics. To focus our efforts at improving the state's energy efficiency, the Energy Office has adopted some common-sense approaches to achieving this goal.

First, we believe that energy efficiency improvements should focus on the whole-house or whole-building approach. While there are countless technologies and products to help consumers save energy, the most effective approach to improving our use of energy is to look at how improvements impact the entire building. Putting a new heating system into a building that lacks proper insulation may reduce energy use, but does little to address the real waste of energy.

Next, we believe that when encouraging investments in energy efficiency, they should be cost-effective. This principle holds true to the Kansas approach of getting the most bang for the buck, whether it is public funds or private capital. The Energy Office believes that investments in energy efficiency should be based on a sound estimate of the expected return—that is, the estimated energy savings produced by the investment.

Finally, we strongly believe that comfort, safety, and savings go hand in hand. All three support each other and, if done properly, all three are enhanced. We believe that you can save money on your utility bills and be comfortable in your home, without having to wear a winter coat indoors on a day like today. Kansans should not have to choose whether they want a comfortable, safe, or efficient home; they can have all three.

FCIP

Using this approach, the Kansas Energy Office has instituted a number of programs to assist its customers with cost-effective improvements in their homes and businesses. The Facility Conservation Improvement Program (FCIP) is one such program. This long-standing program targets energy-efficiency improvements in public buildings.

Under the FCIP, the process starts with a complete assessment of the public building's energy usage. This audit, conducted by one of our 10 approved Energy Service Companies (ESCO's), identifies the most cost-effective improvements for the building and gives the customer complete details of what improvements will capture the most energy savings. By statute, improvements must pay for themselves within 30 years, ensuring prudent use of public funds. The building

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improvements also provide for a better workplace and learning environment and ensure the buildings safety. The program arranges private-sector financing, and the Kansas Energy Office oversees and reviews all energy and cost savings for accuracy to ensure good project performance.

The FCIP has facilitated projects totaling more than \$242 million in energy-efficiency improvements, which have led to annual savings of nearly \$18 million, a payback of less than 15 years. In 2010, more than \$55 million of projects were initiated, including projects at K-State and KU, which will generate expected annual savings of \$1.5 million and \$2 million, respectively.

Efficiency Kansas

In the residential and small business market, the Kansas Energy Office offers the Efficiency Kansas loan program. Efficiency Kansas projects begin with a comprehensive assessment of the home or small business provided by a private-sector energy auditor. Customers receive a detailed audit of their home and a customized list of improvements to make to the home, prioritized in order of cost-effectiveness.

Customers can access Efficiency Kansas financing through partner lenders or partner utilities. Currently, there are more than 100 partner lender locations across the Kansas, and 21 partner utilities participating in the program. Efficiency Kansas provides customers a clear path to comfort, savings, and safety in their homes and small businesses by requiring them to follow the order of the prioritized list.

The Kansas Energy Office, using the time-honored concept of responsible financing, set up Efficiency Kansas as a revolving loan program, not a grant program, so that the program would continue to pay dividends to Kansas long after the ARRA period had concluded. This not only ensures a good investment of the public funds, but also showcases the value of private investment in energy efficiency. Prior to Efficiency Kansas, fewer than 10 auditors were actively advertising their services in Kansas. Today, 70 auditors are listed on the Efficiency Kansas website, representing 52 different companies.

To date, more than 700 Kansans have had an Efficiency Kansas energy audit. More than 150 Kansans have taken out an Efficiency Kansas loan and are collectively saving more than \$76,000 a year. As additional utility partners join the program, we anticipate even greater participation in the program's low-cost financing.

EECBG Programs

Finally, the Energy Office has a suite of grant programs designed to improve energy-efficiency and promote renewable energy. The first of these is our Energy Managers Program. Eleven coalitions of local governments in Kansas, comprising 46 local jurisdictions, have each hired an energy manager for a two-year period. During this period, these new energy managers assess the buildings in each of their coalition members' jurisdictions. Again, the energy managers use the Kansas Energy Office approach of cost-effective improvements, best enabled by using the whole building approach and by reinforcing the concepts that energy savings, comfort, and safety go

hand in hand. Ultimately, the Energy Office hopes to create a network of energy managers in Kansas to share ideas and innovations.

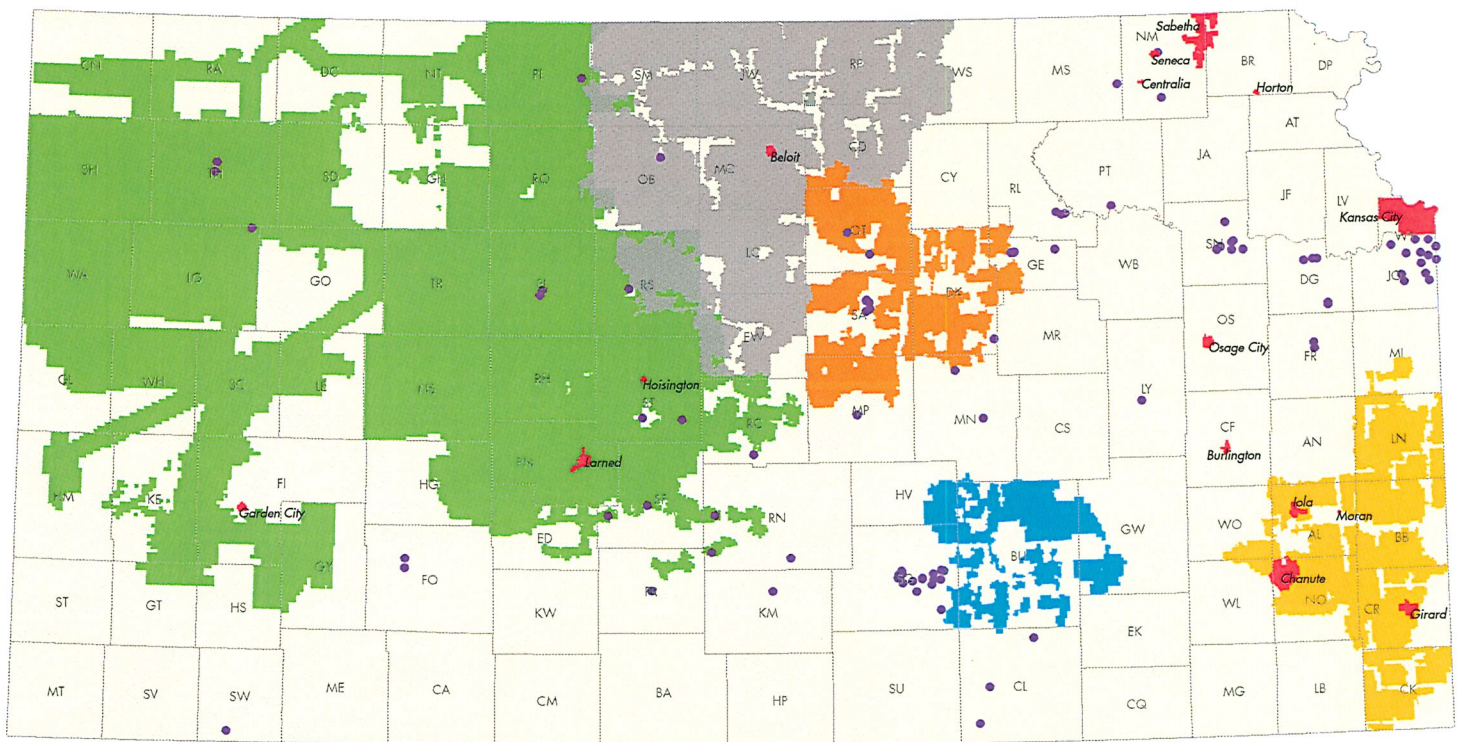
The Public Projects Grant Program is another new program that emphasizes the cost-effectiveness of energy efficiency improvements for local units of government. This program provided up to \$150,000 in grant funding to local units of government to do fundamental energy efficiency improvements to their buildings, such as insulation, HVAC, and lighting replacements. These building improvements create a more productive workplace, enhance the efficiency of local governments, and provide for reliable and safe energy services. The Energy Office approved a total of 42 projects for this grant, totaling nearly \$4 million in energy-efficiency investment. These projects were for much-needed improvements in communities that may not have had access to other opportunities, such as the FCIP, due to their small size. With this grant, they are able to see the value of including energy-efficiency in their purchasing decisions.

The Renewable Energy Incentives Program provides grants, up to \$250,000 for renewable energy projects, and allows local units of government to deploy new renewable energy technology in the most cost-effective way to enhance local operations. These funded projects will be highly visible across the state, highlighting the value of renewable energy in Kansas. With wind, solar, and geothermal projects being undertaken in different parts of Kansas, this program will also provide valuable insights into how technologies work in a variety of applications.

The last program I will highlight is the Take Charge Challenge, which the Kansas Energy Office is sponsoring in partnership with the Climate and Energy Project (CEP). The Take Charge Challenge, a friendly competition between communities to save energy, was piloted last year by CEP with great success. This year's Challenge involves 16 cities in four regions, with the aim of raising awareness of energy efficiency and conservation and promoting participation in the state's energy efficiency retrofit programs: Efficiency Kansas, FCIP, and the low-income Weatherization Assistance Program. As part of the Challenge, community members in these 16 cities will be exposed to whole house approach to energy efficiency and learn how making sound energy decisions can enhance their quality of life, while making existing housing stock more comfortable and affordable.

Efficiency Kansas Partner Lenders and Partner Utilities

(As of January 11, 2011)



Map Key

- Partner Lenders
- Butler Rural Electric Coop. Assn., Inc.
- DS&O Electric Coop., Inc.
- Heartland Rural Electric Coop., Inc.
- Midwest Energy, Inc.
- Rolling Hills Electric Coop., Inc.
- Municipal Partners

Partner Lenders (100 branches)

Alden State Bank
Baldwin State Bank
Bennington State Bank
Capitol Federal
Citizens Bank of Kansas
Farmers & Merchants Bank of Colby
Farmers National Bank
Farmers State Bank of Oakley
First Bank, Sterling
First National Bank and Trust Company
of Junction City
Kansas State Bank Ottawa & Baldwin City
Mid America Bank
Mid American Credit Union
St. John National Bank
Sunflower Bank

Partner Utilities

Butler Rural Electric Cooperative Assn., Inc.
DS&O Rural Electric Cooperative, Inc.
Heartland Rural Electric Cooperative, Inc.
Midwest Energy, Inc.
Rolling Hills Electric Cooperative, Inc.

Municipal Partners

Kansas City Board of Public Utilities
City of Beloit
City of Burlington
City of Centralia
City of Chanute
City of Garden City
City of Girard
City of Hoisington
City of Horton
City of Iola
City of Larned
City of Moran
City of Osage City
City of Sabetha
City of Seneca



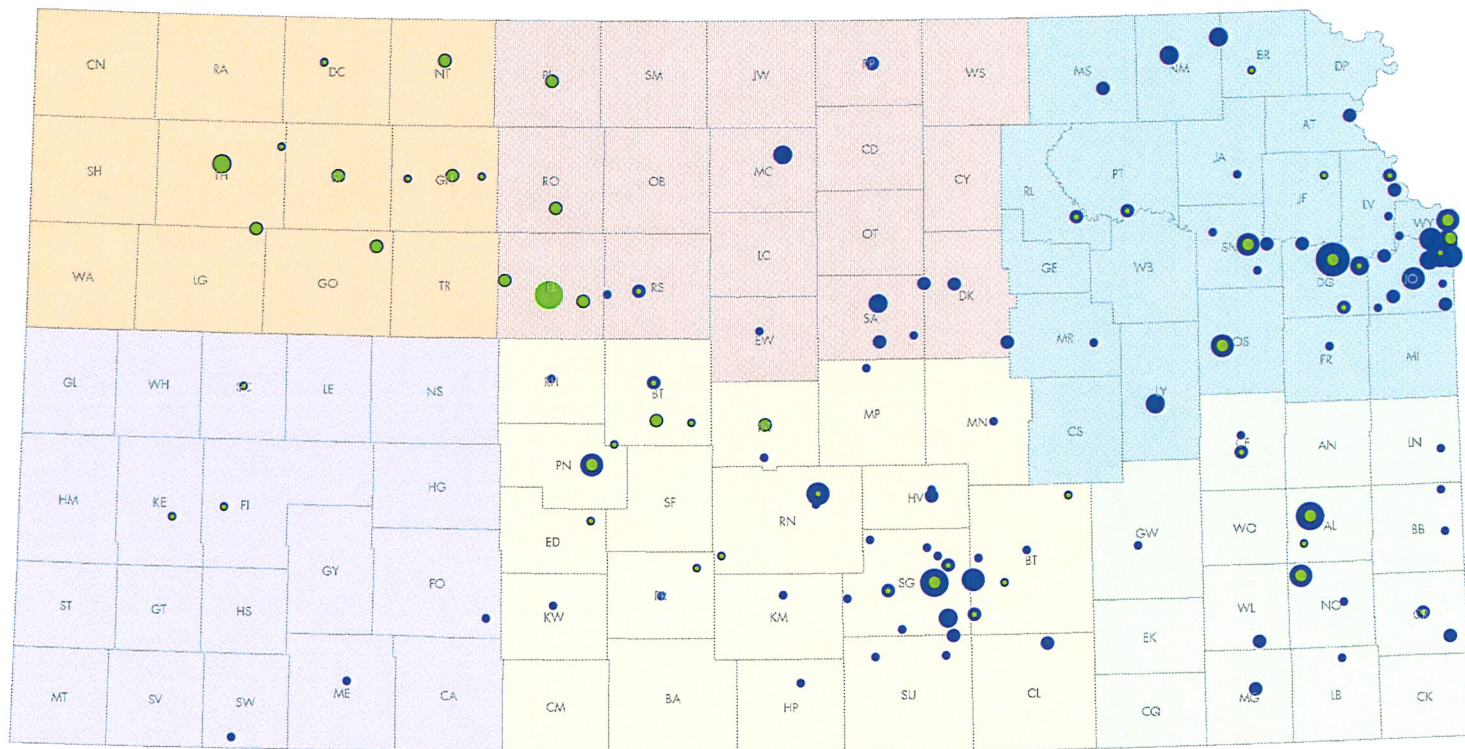
HOUSE ENERGY AND UTILITIES

DATE: 1/13/2011

ATTACHMENT 3

Efficiency Kansas Energy Audits and Completed Projects

(As of January 11, 2011)



Map Key

Energy Audits

1 •
2-5 •
6-10 •
11-25 •
26-50 •
50+ •

Completed Projects

1 •
2-5 •
6-10 •
11-25 •
26-50 •
50+ •

Efficiency Kansas auditors available in each region*

Northwest	12
Southwest	13
Central North	21
Central South	30
Northeast	54
Southeast	24

*Many auditors work in more than one region



HOUSE ENERGY AND UTILITIES

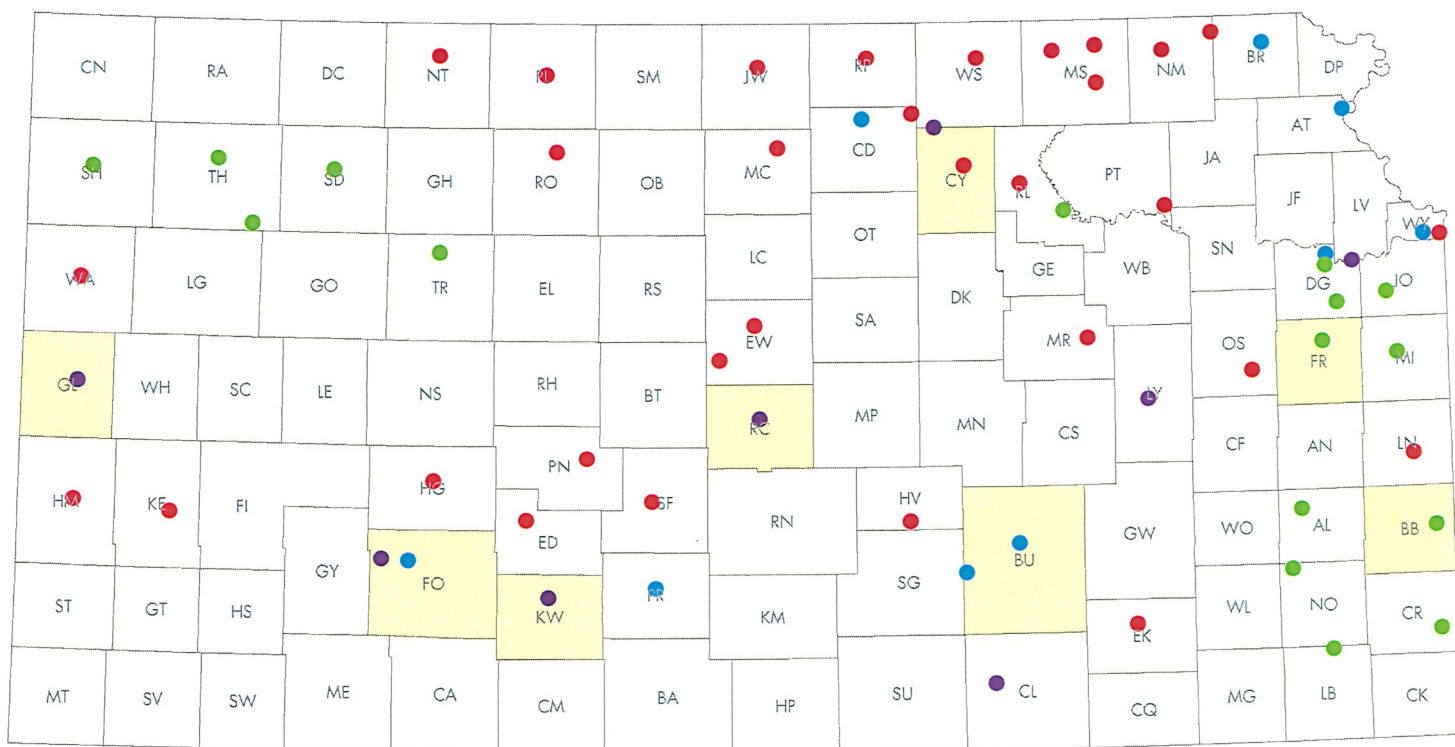
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Recovery Act Block Grant Programs and Projects

(As of January 11, 2011)



Map Key

- Renewable Energy Grants
- Public Projects Grants
- Energy Manager Grants (city)
- Energy Manager Grants (county)
- Take Charge Challenge

Renewable Energy Grants

Helping public facilities lower utility costs through clean, renewable energy resources.

Public Projects Grants

Encouraging cost-effective improvements to public facilities across Kansas.

Energy Manager Grants

Providing coalitions of local government with the expertise to save energy and taxpayer dollars.

Take Charge Challenge

Helping 16 cities implement energy-saving initiatives, as part of the 2011 Take Charge Challenge, a friendly competition to save energy. Also providing final awards to the winner in each of the 4 regions.

Energy Manager Grant Coalition Members

(Coalition leader is shown in bold)

Clifton

Clyde
Clifton-Clyde USD 224
Clay County

Dodge City

Ford County
Dodge City USD 443

El Dorado

Butler Community College
El Dorado USD 490
Circle USD 375 (Towanda)
Butler County

Emporia

Emporia USD 253
Flint Hills Technical College

Eudora

Eudora USD 491
Baldwin City

Fort Scott

Fort Scott Community College
Bourbon County
Fort Scott USD 234

Franklin County

Ottawa USD 290
Ottawa

Greensburg

Kiowa County
Kiowa County Memorial Hospital
Greensburg USD 422

Rice County

Lyons
Sterling
Lyons USD 405
Sterling USD 376

Unified Greeley County

Greeley County Health Services
Greeley County USD 200

Winfield

Arkansas City
Wellington

HOUSE ENERGY AND UTILITIES

DATE: 1/13/2011

ATTACHMENT 5

**TESTIMONY BEFORE HOUSE ENERGY AND
UTILITIES COMMITTEE**

January 13, 2011

**Dennis L. Mesa, Executive Director
Kansas Housing Resources Corporation**

SUMMARY OF WEATHERIZATION PROGRAM ACTIVITY

Kansas Housing Resources Corporation (KHRC) is a public corporation that administers Federal housing programs on behalf of the State. In addition to our traditional programs, KHRC currently administers six programs that were either created or impacted by the American Recovery and Reinvestment Act of 2009 (ARRA). The purpose of today's presentation is to provide information on KHRC's weatherization achievements, both under its traditional and ARRA programs.

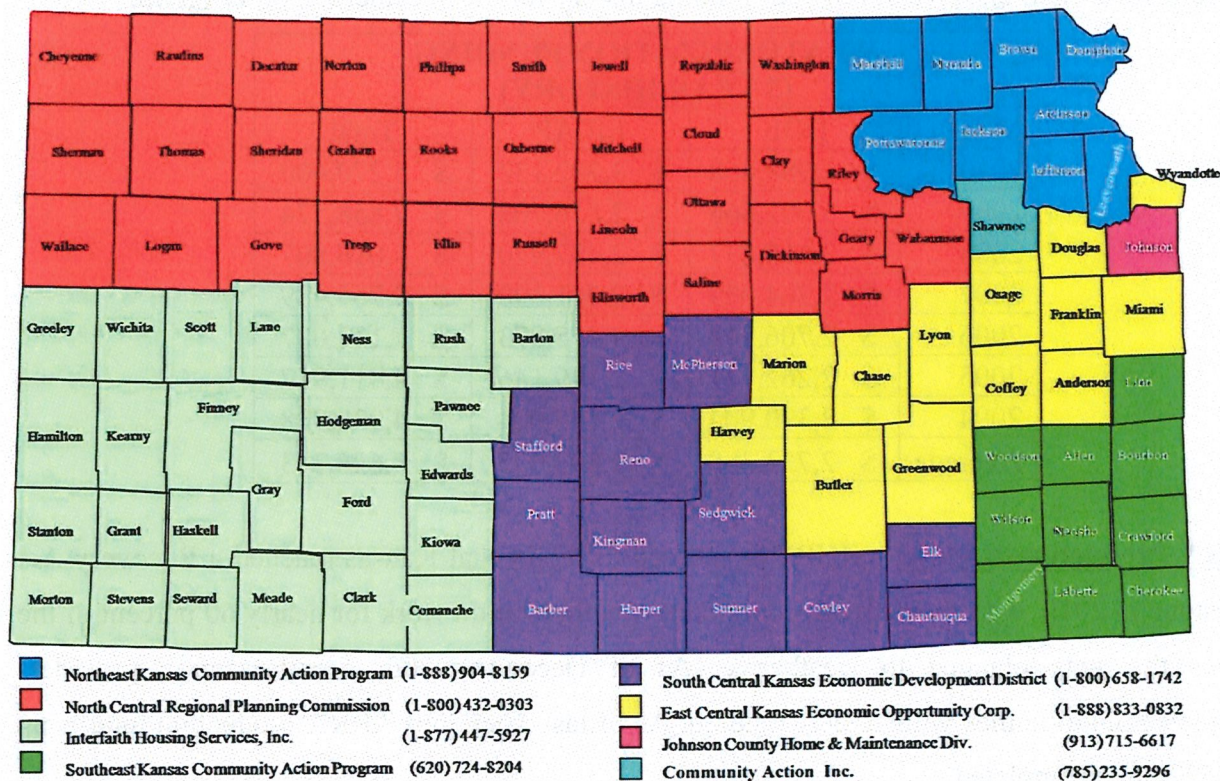
Kansas Weatherization Assistance Program (K-WAP)

Program Summary: K-WAP is a long-term KHRC program traditionally funded by the U.S. Department of Energy (DOE) and the Low Income Energy Assistance Program (LIEAP), which KHRC has been administering since the mid 1970's. The purpose of the program is to make low-income households in income-eligible, single or multi-family dwellings more energy efficient, thereby reducing the utility bills of these families. Funds may be used for leakage reduction, incidental repairs, insulation, health and safety measures, furnace and cooling system repair/replacement and replacement of inefficient refrigerators.

DOE regulations limit eligibility to those individuals with incomes at or below 200 percent of the poverty level (\$20,800 annually for a single person or \$42,400 annually for a family of four in Kansas). Regulations also stipulate the average cost of repair and improvements per home may not exceed \$6,500. As of December 2010, on average, Kansas weatherization providers have spent \$5,375 on repairs per home.

The weatherization program is operated through a network of eight local service providers. Each agency provides weatherization for their region of the state. The following map identifies each service provider and the region in which they operate.

Counties Served by Kansas Weatherization Assistance Program



Recent Funding: As previously mentioned, funding for the weatherization program traditionally comes from DOE and LIEAP. However, the American Recovery and Reinvestment

Act of 2009 (ARRA) provided additional dollars to fund weatherization services. In 2009 and 2010, DOE and LIEAP provided approximately \$13 million for weatherization. In 2009, ARRA provided \$56 million in funding for a three-year period ending July 2012.

With the substantial increase in 2009 total funding, and based on the regional weatherization agencies own appraisal of their capacity to ramp up operations, KHRC set aside \$13 million to establish a multi-family program focusing on weatherizing Tax Credit properties, USDA Rural Development properties, and project-based Section 8 properties that had no direct HUD funds for energy-efficiency improvements. The remaining \$43 million is being used to repair single family homes. The multi-family program will sunset once ARRA funding is exhausted.

The following chart shows a seven-year funding history for the Weatherization Program.

WEATHERIZATION FUNDING (5 YEAR HISTORY)			
Year	DOE	LIEAP	Total
2010	\$ 1,988,468	\$ 3,282,132	\$ 5,270,600
2009	\$ 5,001,866	\$ 2,856,708	\$ 7,858,574
2008	\$ 2,518,837	\$ 2,497,970	\$ 5,016,807
2007	\$ 2,264,099	\$ 2,501,390	\$ 4,765,489
2006	\$ 2,706,214	\$ 4,415,873	\$ 7,122,087
2005	\$ 2,262,771	\$ 2,149,146	\$ 4,411,917
2004	\$ 2,390,904	\$ 2,548,024	\$ 4,938,928
Average	\$ 2,733,308	\$ 2,893,035	\$ 5,626,343

ARRA Production Update: KHRC is pleased to report that Kansas reached a Recovery Act milestone in 2010, with the network completing weatherization work for nearly 60 percent of the homes the state planned to weatherize. As of December 30th, weatherization providers completed 3,446 homes with ARRA funding. As of last week, our ARRA production total is up to 3,522 units completed.

Traditional DOE Update: To date, WAP providers in Kansas have effectively utilized 100 percent of 2009 traditional DOE/LIEAP funding and over 65 percent of the 2010 funds. In all, 1,647 homes have been weatherized with traditional DOE funding.

Overall: Combining ARRA dollars and “traditional” funding from 2009 and 2010, Kansas weatherization providers have completed a total of 5,169 homes and over 4,958 homes in progress. The “in progress” total includes homes placed on the waiting list which have been approved for services. Currently, our waiting list is 1,616 homes.

The following tables show the network’s production numbers and homes in progress.

OVERVIEW	2009 DOE / LIEAP	2010 DOE / LIEAP	ARRA	TOTAL
Homes Completed (updated weekly - as of 01/07/11)	1,081	566	3,522	5,169

OVERVIEW	2010 DOE/LIEAP/ARRA
Homes in Progress (updated monthly as of 12/15)	4,958
Homes on Waiting List (updated monthly as of 12/15)	1,616
Funds Expended (updated monthly –as of 12/15)	\$30,518,604

Monthly Production Rate: In February of last year, DOE established a target production rate for Kansas of 294 homes per month. For the month of November 2010, Kansas network providers completed a total of 273 homes or 93 percent of DOE’s standard. Since the production standard was released last year, Kansas has surpassed the DOE standard by 530 homes with an overall production rate of 116 percent.

MONTH	DOE STANDARD	TRADITIONAL DOE/LIEAP	ARRA	TOTAL	PRODUCTION RATE
NOVEMBER	294	61	212	273	93%
OCTOBER	294	75	320	395	134%
SEPTEMBER	294	49	304	353	117%
AUGUST	294	60	280	340	115%
JULY	294	61	195	256	87%
JUNE	294	68	178	246	84%
MAY	294	84	270	354	120%
APRIL	294	0	232	232	79%
MARCH	294	191	433	624	212%
FEBRUARY	294	21	331	352	120%
JANUARY	294	54	285	339	115%

Job Creation:

Based on DOE estimating rules, KHRC estimates 131 weatherization-related jobs have been created by ARRA funds.

Summary: In summary, KHRC hit the accelerator on weatherization services in 2010 and network providers are continuing to upgrade homes at the optimal rate. With nearly 60 percent of the state's planned production now complete, KHRC and our sub-grantees are moving forward aggressively with the weatherization program, delivering energy and cost savings for the families who need it most. My staff and I welcome the opportunity to answer any questions you might have.