

MINUTES OF THE HOUSE ENERGY AND UTILITIES COMMITTEE

The meeting was called to order by Chairman Carl Holmes at 9:00 A.M. on January 31, 2011, in Room 785 of the Docking State Office Building.

All members were present except:
Representative Mike Burgess-excused

Committee staff present:
Matt Sterling, Office of the Revisor of Statutes
Cindy Lash, Kansas Legislative Research Department
Corey Carnahan, Kansas Legislative Research Department
Renaë Hansen, Committee Assistant

Others attending:
Nineteen including the attached list.

Representative Forrest Knox presented information on his stand on **HCR 5005**, (Attachment 1).

Action on:
HCR 5005- Establishing targets for energy development, consumption and costs.

Comments were made and questions asked by Representatives: Nile Dillmore, and Tom Sloan.

Representative Tom Sloan proposed a substitute (Attachment 2) for the resolution.

Representative Tom Sloan moved to substitute the language in Attachment 2 for the current language in HCR 5005. Seconded by Representative Vern Swanson.

Discussion on the motion was taken up by Representatives: Joe Seiwert, Tom Sloan, Vern Swanson, Don Hineman, Annie Kuether, Forrest Knox, Richard Proehl, Reynaldo Mesa, Carl Holmes, Mike Slattery, and Nile Dillmore.

Representative Forrest Knox called the question on the motion. Motion failed 7 to 9.

Representative Tom Sloan moved the committee introduce the substitute language for a resolution. Seconded by Representative Nile Dillmore. Motion carried.

Representative Nile Dillmore moved to table HCR 5005. Seconded by Representative Reynaldo Mesa. Motion carried.

The action on **HCR 5005** was closed.

Discussion on the Kansas Electric Transmission Authority (KETA) by Representative Carl Holmes. Chairman Holmes passed out a map (Attachment 3) with information about the SPP Robust Plan 1 and the Cost Effective Plan. He also spent time talking about the make up of the KETA organization and its mission.

Questions were asked and comments made by Representatives: Forrest Knox, Vern Swanson, Carl Holmes, and Don Hineman.

Mark Schreiber, Westar, helped to answer committee questions about transmission lines and voltage current.

The next meeting is scheduled for February 3, 2011.

The meeting was adjourned at 10:26 A.M.

Straight Talk from Rep. Knox

January 31, 2011

Ten Years From Now?

This week the House Energy & Utilities Committee will act on **HCR 5005**, which spells out a state energy plan for the next 10 years. I plan to vote against this resolution as it now stands, because it is entirely too detailed. Last week, as we heard the resolution in committee, I found myself thinking back ten years and comparing those days to today.

Ten years ago I had no clue as to what life would be like today, at least as far as technology is concerned. I certainly would have never thought that my family would have six cell phones on which we send texts and pictures and emails and access the Internet, and I would never have believed that I would be paying six times as much for phone service as ten years before.

So, how can we know in detail what life will be like in ten years? Well, here are some ideas to consider – things that very well may not exist in ten years.

The U. S. Post Office: So deeply in financial trouble that there is probably no way to sustain it long term. Email, Fed Ex, and UPS have just about wiped out the minimum revenue needed to keep the post office alive. Most of our mail every day is junk mail and bills. And, email is becoming the snail mail of today with texting and instant messaging so popular.

The Check: It costs the financial system billions of dollars a year to process checks. Already in many banks you can use your phone (which is now the most popular camera) to photograph a check you have received and text it to your bank to deposit it. Plastic cards and online transactions will lead to the eventual demise of the check. This plays right into the death of the post office. If you never paid your bills by mail and never received them by mail, the post office would absolutely go out of business.

The Book: E-books and readers are replacing books right now. They are cheaper by far. They take up less space. And you can carry a large library with you.

CDs and DVDs: Hard copies of vinyl records, eight tracks, cassette tapes, video cassettes are all ancient history. And even downloading music from iTunes onto your iPod or computer may soon be replaced with streaming it off the “cloud.”

The Land Line Telephone: Basically gone now. Do you still have one?

Television: Network revenues are down. People are watching TV and movies streamed from their computers. Cable rates are high and commercials run about every five minutes or so. The Internet and television are merging into interactive TV. Who can guess what possibilities there might be in just a few years, let alone ten years?

So, how can government make accurate guesses and plan for the next decade or more? That's a tough one, but we'd better try hard because it takes at least ten years to plan, permit, and build an electric generation station. Technology must solve the problems and make renewable energy viable and affordable, but the answers aren't yet in sight. However, technology is solving the problem of long term fossil fuel supplies. Ten years ago we only had a fraction of the proven reserves of oil and natural gas that we have today. The relatively slight price increases of fossil fuels have manifested technologies yielding tremendous new oil and gas reserves. Who knows how technology will solve future problems?

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SUBSTITUTE FOR HOUSE CONCURRENT RESOLUTION NO. 5005

By Committee on Energy and Utilities

A CONCURRENT RESOLUTION establishing targets for energy development, consumption and costs.

WHEREAS, Federal energy policy discussions have focused public attention on climate issues and alternative energy futures; and

WHEREAS, Federal energy policy discussions and ultimate actions will impact each state differently; and

WHEREAS, Energy sources to meet state needs will continue to reflect their existing and potential generation resources; and

WHEREAS, The cost and availability of energy to consumers, businesses and industries will determine quality of life and economic opportunities in each state; and

WHEREAS, Direct and indirect energy costs and their impacts on individual consumers and consumer sectors have not been widely discussed at the federal level, but are of great concern to state policymakers: Now, therefore,

Be it resolved by the House of Representatives of the State of Kansas, the Senate concurring therein: That we believe that Kansas' public, elected policymakers and executive agency personnel should have specific targets for energy development, consumption and cost containment; and

Be it further resolved: That the Kansas Corporation Commission is directed to convene forums and working groups to identify logical policy paths and objectives for energy development, consumption and cost containment and to identify appropriate technologies, research and employment opportunities to ensure Kansans have abundant, reliable, affordable and responsible energy. To achieve these objectives, the commission shall:

Examine ways to increase the state's use of renewable resources, including capture of escaping

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ATTACHMENT 2-1

methane from Title V landfills and use of motor fuels containing ethanol from cellulosic processing;
and

Investigate the potential for energy storage and coordinate with Kansas electric utilities and the Southwest Power Pool to study and implement energy storage projects to address transmission line constraint relief, distributive generation reliability, electric distribution system reliability and to firm renewable energy generation; and

Study different conservation and efficiency measures to reduce the anticipated rate of growth in demand for electricity without causing a degradation in the quality of life for Kansans; and

Examine methods to develop Kansas' renewable energy generation potential to increase energy exports beyond state borders, provide a more robust transmission system resulting in increased energy reliability and lower cost electricity to high cost service areas; and

Work with the Kansas Board of Regents and the Kansas Department of Commerce to develop strategies to encourage energy research in Kansas by private and public persons and institutions and with the Kansas Development Finance Authority and the Kansas Bio-Science Authority to develop enhanced grant, loan and loan assurance programs that better enable energy researchers to secure federal and private sector funding to research, develop, commercialize and market energy-related products and services. Such loan assurance programs are not to increase state debt obligations, but to demonstrate to investors that the State of Kansas believes investing in such companies and research is a prudent investment in our nation's future; and

Work with Kansas electric utilities to increase "smart grid compliance" for distribution line segments and appurtenances as well as the deployment of electric meters by each public utility; and

Develop strategies for existing coal-fired generation units, including both electric public and non public utilities, to reduce the rate of their greenhouse gas releases; and

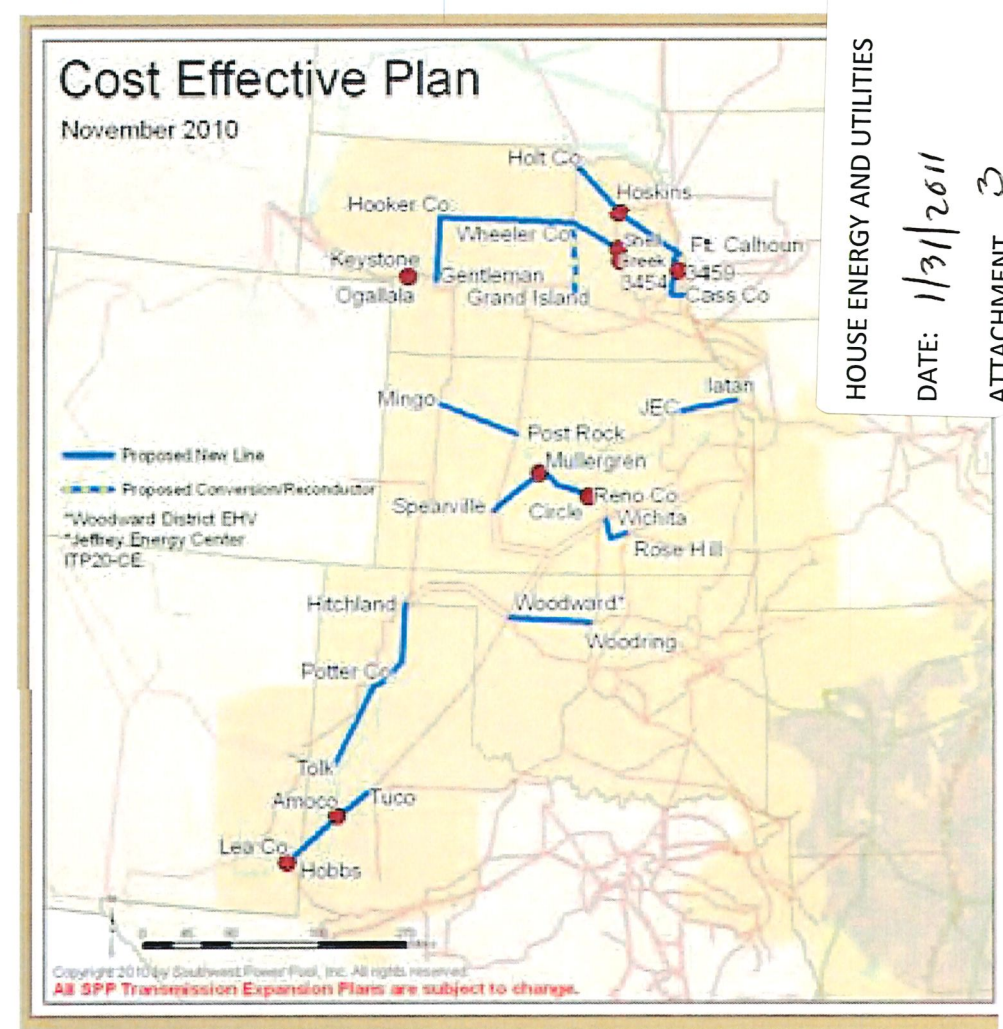
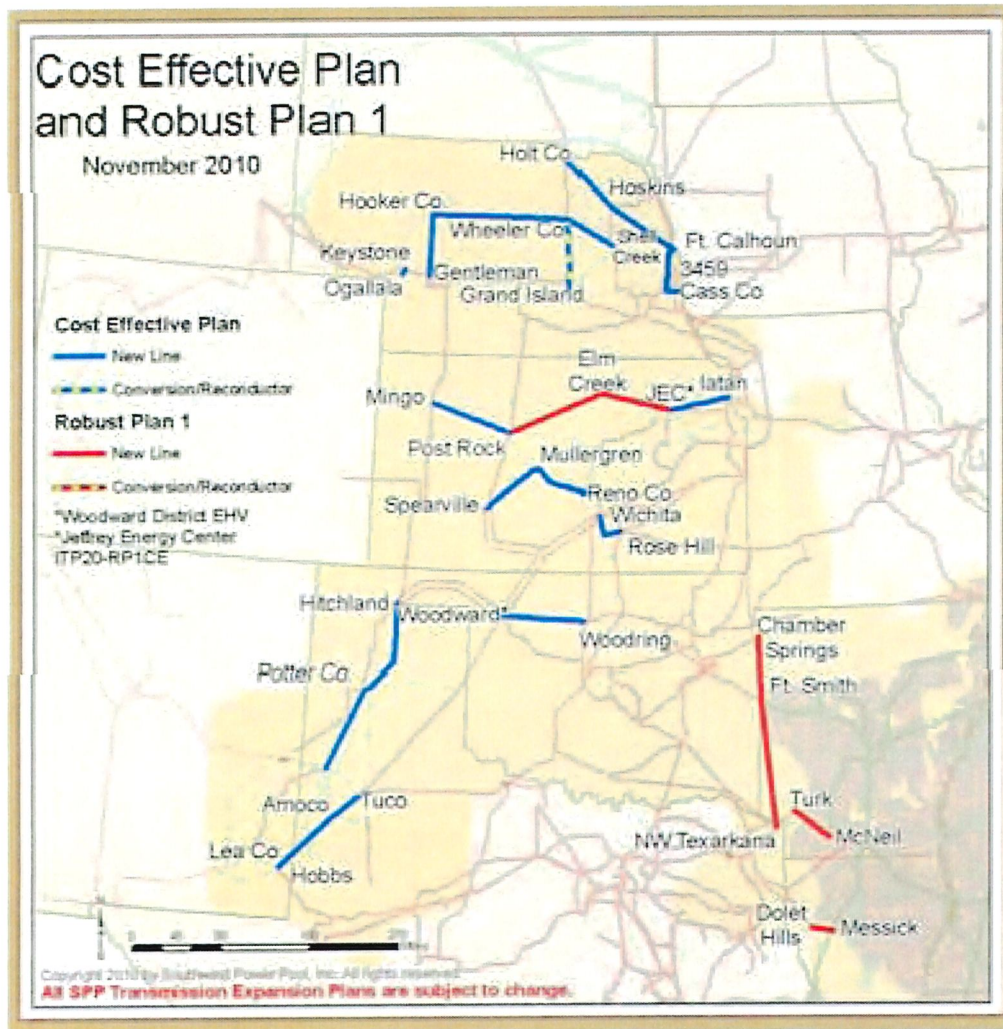
Work with the Kansas Department of Commerce and the Board of Regents to enhance

workforce development, recruitment and training programs that lead to an employment growth rate in energy production, conservation and efficiency, research and related sectors; and

Be it further resolved: That the Secretary of State be directed to provide an enrolled copy of this resolution to the Kansas Corporation Commission, the Board of Regents, the Kansas Bio-Science Authority, the Kansas Department of Health and Environment, the Kansas Development Finance Authority and the Governor.

Robust Plan 1

Cost Effective Plan



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ATTACHMENT 3