

SESSION OF 2008

**SUPPLEMENTAL NOTE ON
HOUSE CONCURRENT RESOLUTION NO. 5038**

As Amended by House Select Committee on
Energy and Environment for the Future

Brief*

HCR 5038 would create the Kansas electric energy plan. The Resolution states that it is important for Kansas to develop a plan for the continued development of energy sources. Also, the Resolution relies on data from the Energy Information Administration to conclude that Kansas' supply of energy is almost the same as its usage and information from the Kansas Corporation Commission (KCC) to assert that some of the existing generating capability will need to be replaced within the next 20 years. Also, the Resolution makes it clear that the state energy plan should provide a framework for future legislative action.

This Resolution also enumerates policies to serve as the foundation of the state energy plan. These policies are:

- Encouragement of continued development of alternative and renewable energy;
- Enactment of legislation to implement policy which will foster growth in the electric transmission infrastructure;
- Repeal of laws and policies that inhibit the safe and cost-effective development of domestic energy supplies;
- Support for the Southwest Power Pool and the Kansas Electric Transmission Authority;

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

- Recognition that some of the current electric generation capacity will have to be replaced within the next 20 years; and
- Promotion of applicable and appropriate market driven solutions to electric generation needs of the state.

The Resolution requests that the KCC submit a written annual report, recommending legislative changes needed to facilitate the state energy plan, to the Senate Committee on Utilities and the House Committee on Energy and Utilities beginning with the regular legislative session of 2009. The annual report also would include recommendations for legislative changes necessary for development of clean coal technology, progress of nuclear power generation, and other advancements in base-load generation.

The Resolution also articulates a set of facts to be used in the planning process for future growth in demand for electricity. These planning statements are:

- Base-load generation capacity for Kansas in 2006 was approximately 6,700 megawatts;
- It is projected that the total base-load generation capacity will need to be 7,600 megawatts in 2028;
- That a phase-in of the following increases of generating capacity will be required to meet the growth in base-load generation demand:
 - Using the historical annual growth rate of 1.3 percent for the years 2007 through 2015, 4,416 gigawatt hours;
 - Using a projected annual growth rate of 1.6 percent for the years:

- 2016 to 2020 – 4,000 gigawatt hours;
- 2021 to 2025 – 4,500 gigawatt hours; and
- 2026 through 2028 – 2,500 gigawatt hours.

As stated in the Resolution, Kansas will encourage the development of electric generation capacity to meet the projected increase in demand over the next 20 years. In addition, the Resolution describes Kansas' electric generation fuel mix in 2006 and states that Kansas will take the necessary actions to ensure that the fuel mix of the increased base-load electric generation is suitably determined.

Background

HCR 5038 by Representative Myers would establish an electric energy plan framework to help guide the state in meeting its projected electricity generation needs for the future. The Resolution includes provisions introduced in HB 2949 and was introduced after the House Select Committee on Energy and Environment for the Future held a hearing on the bill.

At the Committee hearing on HB 2949, representatives of Sunflower Electric Power Corporation, Westar, Aquila, Midwest Energy, Inc., Kansas Municipal Utilities, Empire District Electric Company, Kansas City Power and Light, the Sierra Club, and various individuals presented testimony. Several conferees suggested amendments to the bill.

During the hearing on HCR 5038, the only conferee was a representative of the Sierra Club who presented testimony in opposition to the bill.

A fiscal note on the Resolution was not available at the time the House Committee took action. The Division of the Budget reported that HB 2949 would not have any fiscal impact.