

SESSION OF 2021

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2381

As Amended by House Committee on Energy,
Utilities and Telecommunications

Brief*

HB 2381, as amended, would establish the State Energy Plan Task Force (Task Force) and provide for the Task Force's membership, requirements, duties, and organization.

The bill would contain several whereas clauses stating the goals for a state energy plan and providing further context for the establishment of the Task Force.

Task Force Membership

The Task Force would be composed of 17 voting members and 8 nonvoting members. The voting members would consist of:

- Six legislative members:
 - The chairperson, vice-chairperson, and ranking minority member of the House Committee on Energy, Utilities and Telecommunications; and
 - The chairperson, vice-chairperson, and ranking minority member of the Senate Committee on Utilities;
- One member who has expertise in energy economics, appointed by the Governor; and

*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>

- Ten other members, one appointed by each of the following organizations:
 - The investor-owned electric utility with the largest service territory in the state;
 - Kansas Electric Cooperatives, Inc. (KEC);
 - Kansas Municipal Utilities (KMU);
 - The natural gas public utility with the largest service territory in the state;
 - Kansas Independent Oil and Gas Association;
 - Climate and Energy Project;
 - Renew Kansas Biofuels Association;
 - Kansas Economic Development Alliance;
 - Kansas Farm Bureau (KFB); and
 - Kansas Advanced Power Alliance (KAPA).

The Task Force's eight nonvoting members would be:

- The chairperson of the Kansas Corporation Commission (KCC), or their designee;
- The Secretary of Commerce, or their designee;
- The Secretary of Transportation, or their designee;
- The Secretary of Health and Environment, or their designee;
- The State Geologist, or their designee;
- The Secretary of Agriculture, or their designee;
- One member appointed by the U.S. Department of Defense; and
- One member appointed by the Citizens' Utility Ratepayer Board (CURB).

Energy Plan Components

The bill would require the Task Force, on or before January 31, 2023, to submit a comprehensive state energy plan and recommendations to the Governor; the Legislature; the House Committee on Energy, Utilities and Telecommunications; and the Senate Committee on Utilities.

The bill would require the plan to contain statewide strategies to:

- Assess current and future energy technologies and needs;
- Enhance energy efficiency and plan for electric vehicle infrastructure as part of a comprehensive strategy for vehicle fueling infrastructure that includes biofuels, alternative fuels, and petroleum fuels;
- Stimulate economic development;
- Expand economic opportunity and workforce development;
- Stimulate development of new and emerging energy technologies and systems; and
- Promote diversity of the resources that supply energy to and within Kansas while promoting affordability for consumers and protecting the environment and the state's natural resources.

Task Force Recommendations

The Task Force would be required to make recommendations on the initiation, design, implementation, and evaluation of the state energy plan. The bill would require the Task Force's recommendations to:

- Take into consideration a comprehensive perspective of the state's energy profile, including all energy resources and end-use sectors;
- Project future energy supply and demand and the potential impacts of supply shifts, geopolitical risks and uncertainties, technological changes, and other factors that affect short-term and long-term energy needs;
- Provide a framework that allows leaders across the state to make informed decisions based on a defined and structured plan;
- Offer a plan of action with clear recommendations and achievable goals; and
- Propose future activities, actions, or legislation that may be necessary to ensure continued viability and long-term implementation of the state energy plan, including whether such plan should be implemented and administered by any certain state agency or division.

Task Force Organization and Assistance

The bill would provide that, in odd-numbered years, the chairperson of the House Committee on Energy, Utilities and Telecommunications would be the chairperson of the Task Force, and the chairperson of the Senate Committee on Utilities would be the vice-chairperson of the Task Force. These roles would alternate in even-numbered years.

Vacancies

Member vacancies on the Task Force would be filled in the same manner as the original appointment.

Meetings and Subsistence

The Task Force would have the authority to meet on call of the chairperson at any time and at any place within the state. Legislative members of the Task Force would be paid for expenses, mileage, and subsistence, as provided for in continuing law, for attending a Task Force meeting if approved by the Legislative Coordinating Council.

Assistance

The State Energy Office, a division of the KCC, would be required to provide administrative assistance to help facilitate and organize meetings. Assistance would include, but not be limited to:

- Providing a meeting facilitator;
- Publishing meeting agendas, public notices, and meeting minutes; and
- Providing any research, data, or information requested by the Task Force.

Additionally, the bill would require staff of the Office of Revisor of Statutes, Legislative Research Department, and Legislative Administrative Services to provide assistance as requested by the Task Force.

Sunset

The provisions of the bill would sunset on July 1, 2023.

Background

The bill was introduced by the House Committee on Energy, Utilities and Telecommunications at the request of Representatives Schreiber and Kuether.

***House Committee on Energy, Utilities and
Telecommunications***

In the House Committee hearing, **proponent** testimony was provided by Representative Schreiber; a legislative liaison for KMU and Atmos Energy, Black Hills Energy, Eergy, ITC Great Plains, Kansas City Board of Public Utilities, Kansas Electric Power Cooperative, Kansas Gas Service, Liberty Utilities, Midwest Energy, and Sunflower Electric Power Corporation; and representatives of the Citizens' Utility Ratepayer Board, the Clean Energy Business Council, KAPA, Kansas Interfaith Action, Renew Kansas Biofuels Association, and the Sierra Club.

Written-only proponent testimony was provided by representatives of KEC, KFB, Little Government Relations, and the Metropolitan Energy Center.

Proponents generally stated the development of a state energy plan would help Kansas better manage its energy resources and create long-term value for the state by fully capitalizing on the energy transformation that has been occurring in the past decade. Further, proponents noted the bill would be a first step toward adopting a statewide energy plan that could serve as a road map for meeting changing energy needs, promoting economic growth, and ensuring access to affordable, diverse, and reliable energy. Proponents stated an energy plan was one of the recommendations of the electric rate study conducted by London Economics International.

Opponent testimony was provided by a representative of the Kansas Industrial Consumers Group and Kansans for Lower Electric Rates. The opponent stated it is unclear what the bill would accomplish that Kansas is not already doing, and the bill would incentivize the acquisition of unnecessary investments.

No other testimony was provided.

The House Committee amended the bill to expand language regarding vehicle fueling infrastructure. _____

Fiscal Information

According to the revised fiscal note prepared by the Division of the Budget on the bill, as introduced, the KCC states enactment of the bill would result in annual expenditures of \$220,000 to provide a meeting facilitator and research, data, and information and to maintain a 1.0 FTE administrative support position. The KCC estimates the annual cost would be \$50,000 (from federal funds) for the administrative support position, \$120,000 for a facilitator, and \$50,000 for a research consultant. The annual cost for the facilitator and research consultant (\$170,000) would be paid from assessments on utilities.

Legislative Administrative Services indicates enactment of the bill would result in annual expenditures of \$33,722 from the State General Fund, assuming the legislative membership attends a maximum of eight Task Force meetings annually.

The Legislative Research Department indicates any costs to the Department could be paid from existing resources.

Any fiscal effect associated with the bill is not reflected in *The FY 2022 Governor's Budget Report*.

Energy plan; task force; utilities