

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 18, 2011 in Room 785 of the Docking State Office Building.

All members were present except:

Mike Burgess-excused
Phil Hermanson-excused

Committee staff present:

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

Others attending:

Twenty-Four including the attached list.

Representative Forrest Knox moved to introduce (Attachment 1) committee bills. Seconded by Representative Annie Kuether. Motion carried unanimously.

Representative Tom Sloan moved to introduce a bill concerning a state energy plan bill. The motion was seconded by Representative Annie Kuether. Motion carried unanimously.

Informational hearing on:

KCC Staff Petition 11-GIME-492-GIE

Tom Day, KCC, spoke to the committee on the origination of the KCC Staff Petition 11-GIME-492-GIE (Attachment 2). Mr. Day also introduced some of the staff present with him: Michael Gross, Tom Stratton Jr., and Dr. Michael Schmidt.

Dr. Michael Schmidt presented information from the KCC (Attachment 3) concerning the KCC Staff Petition 11-GIME-492-GIE. He spoke about some of the new EPA rules that will be implemented by 2015. He noted that they estimate \$1 billion dollars in cost to retrofit the older coal plants in order to meet the new EPA regulations. Dr. Schmidt explained several questions they are hoping to answer with this exploratory petition. He noted that generally the energy company will come to the KCC to ask for rate adjustments after the utility has already invested in the upgrades. This time, they are hoping to look at the cost of retrofitting versus building a new plant, prior to the upgrade initiative. He gave the committee estimates for cost per unit of energy of retrofitting the plants to meet the new EPA standards versus building new plants using either coal, natural gas, or nuclear power.

David Springe, CURB, spoke to the committee about the KCC Staff Petition 11-GIME-492-GIE, noting that they filed a motion to open the docket and a motion to intervene should they decide to open the docket. He asked that the procedural piece that allows the docket to be open would also allow more time for the research and procedural process of the exploration.

Questions were asked by Representative Carl Holmes.

Mark Schreiber, Westar, (Attachment 4) spoke to the committee about the staff petition and provided the committee information on the generation process and its affects on rates. Additionally, he provided graphs showing the cost in environmental stewardship and how that has affected the emissions of SO₂, NO_x and other particles. Included in Mr. Schreiber's testimony is the different generators they own and the planned projects they have to upgrade the emissions control equipment. He also talked to the committee about the cost of fuel and its price volatility in the market.

Scott Jones, KCPL, (Attachment 5), in response to the KCC staff petition offered the committee information on what they have done in the past to clean up the air emissions from their power production plants. Additionally, they noted some of their future plans to retrofit the plants.

CONTINUATION SHEET

The minutes of the House Energy and Utilities Committee at 9:00 A.M. on January 18, 2011, in Room 785 of the Docking State Office Building.

Questions were asked to all presenters, and comments made by Representatives: Stan Frownfelter, Vern Swanson, Don Hineman, Annie Kuether, Nile Dillmore, Forrest Knox, Carl Holmes, Richard Proehl, and Don Schroeder.

Paul Lane, KCP&L, environmental manager, helped answer some of the questions asked by the committee. Tom Gross, KDHE also helped to answer some of the committee questions.

The next meeting is scheduled for January 19, 2011.

The meeting was adjourned at 10:50 A.M.