

MINUTES OF THE JOINT HOUSE UTILITIES AND TAXATION COMMITTEES

The meeting was called to order by Chairman Kenny Wilk at 9:00 A.M. on February 9, 2006 in Room 313-S of the Capitol.

All members were present except:
Vaughn Flora-excused

Committee staff present:
Mary Galligan, Kansas Legislative Research
Dennis Hodgins, Kansas Legislative Research
Rena Hansen, Committee Secretary

Conferees appearing before the committee:
Representative Tom Sloan
Barton Ives, US Army Environmental Center
Mike Warwick, Battelle-Northwest
Charles Benjamin, PH.D, J.D., Sierra Club
Christopher C. Pflaum, Ph.D.
Mark Schreiber, Westar Energy
Jim Ludwig, Westar Energy

Others attending:
See attached list plus some 35 others.

Chairman of Taxation Representative Kenny Wilk, reminded the jointly meeting committee that this bill would be worked first in House Taxation and then would move to House Utilities if it passes Taxation.

Chris Courtwright gave an overview of what **HB 2723** does for publicly held Utilities companies if they sell renewable energy to federal entities, including military installations. The tax credit this bill would offer to the Utilities would act as a bit of a float to pay back the loss of the authorized rate of return on investment.

Hearing on:

HB 2723 **Tax credit for electric public utility for certain amounts related to sale of renewable energy to the federal government.**

Representative Tom Sloan, (Attachment 1), presented testimony describing how **HB 2723** was conceptualized in the Joint Committee on Energy and detailing how this bill might help to positively impact the state of Kansas economically if we would in fact invest in more renewable energy production.

Barton Ives, US Army Environmental Center, (Attachment 2), offered testimony detailing some of the requirements of the Executive order by both Presidents Clinton and George W. Bush to federal facilities to use more renewable energy, with specific goals.

Mike Warwick, Battelle-Northwest, (Attachment 3), offered testimony pertaining to the specific usage of renewable energy nationwide, and how this bill might help offer cost competitive options for the purchase of renewable energy.

Charles Benjamin, PH.D, J.D., Sierra Club, (Attachment 4), presented testimony in favor of **HB 2723** as it would help renewable energy production to increase in the state of Kansas as Kansas has one of the best opportunities to eventually become again a net exporter of energy if we harness our renewable resources.

Questions were posed by Representatives: Lynne Oharah, Arlen Siegfried, Paul Davis, Kenny Wilk, and Jason Watkins.

CONTINUATION SHEET

MINUTES OF THE House Utilities Committee at 9:00 A.M. on February 9,2006 in Room 313-S of the Capitol.

Opponents:

Christopher C. Pflaum, Ph.D. , (Attachment 5), offered written testimony against **HB 2723**.

Neutral:

Mark Schreiber, Westar Energy, (Attachment 6), presented testimony that demonstrated Westars position that **HB 2723** would neither help nor hinder them in their desire or ability to produce or use more energy from renewable sources.

Jim Ludwig, Westar Energy, was available to answer questions from the committee concerning **HB 2723** and the position of Westar Energy.

Questions continued with questions asked by Representatives: Nile Dillmore, Tom Thull, Annie Kuether, Mario Goico, Melody Miller, Josh Svaty, Carl Krehbiel, Peggy Mast, Forrest Knox, Carl Holmes, Virginia Beemer, and Sydney Carlin.

Many comments alluded to **HB 2723**'s conceptual idea being good for Kansas, but that the avenue to give incentives to this renewable energy might need to take a different venue or path.

Hearing close on **HB 2723**.

The next meeting for House Utilities is scheduled for February 10, 2006.

Meeting Adjourned.