

MINUTES OF THE HOUSE ENERGY AND UTILITIES COMMITTEE

The meeting was called to order by Chairman Carl Holmes at 9:00 A.M. on February 19, 2007 in Room 241-N of the Capitol.

All members were present except:

Vaughn Flora-excused
Oletha Faust-Goudeau-excused

Committee staff present:

Mary Galligan, Kansas Legislative Research
Dennis Hodgins, Kansas Legislative Research
Mary Torrence, Revisor's Office
Jason Long, Revisor's Office
Rena Hansen, Committee Assistant

Conferees appearing before the committee:

Tom Sloan, State Representative
Ed Cross, KIOGA, Kansas Independent Oil and Gas Association
Dr. Ed Martinko, Kansas Biological Survey
Rex Buchanon, Kansas Geological Survey

Others attending:

Thirty one including the attached list.

HB 2405: Incentives for production of energy from renewable resources and use of waste energy from electric generation; sunset of certain tax credits.

Discussion continued from Friday, February 16, by Representatives: Tom Sloan, Carl Holmes, Forrest Knox, and Tom Hawk.

Representative Tom Hawk moved to amend HB 2405 (Attachment 1). Seconded by Representative Cindy Neighbor.

Discussion by Representatives: Richard Proehl, Tom Hawk, Carl Holmes, Tom Sloan and Revisor Mary Torrence.

Motion Carried.

Discussion by Representatives: Carl Holmes, Tom Hawk, Josh Svaty, and Annie Kuether.

Representative Tom Sloan moved to amend HB 2405 page 19 to read "suitable for human consumption" following on line 30 the word sorghum. Seconded by Moxley motion carried.

Representative Tom Hawk moved to pass favorable HB 2405 as amended. Representative Vern Swanson seconded the motion. Motion carried.

Representative Carl Holmes will carry **HB 2405** on the House floor.

HB 2406: Wind energy electric generation facilities of public utilities; tax incentives; siting requirements to qualify.

Representative Tom Sloan moved to amend HB 2406 (Attachment 2). Seconded by Representative Dan Johnson.

Discussion ensued by Representatives: Annie Kuether, and Tom Sloan.

Motion failed.

CONTINUATION SHEET

MINUTES OF THE House Energy and Utilities Committee at 9:00 A.M. on February 19, 2007 in Room 241-N of the Capitol.

Discussion ensued by Representatives: Annie Kuether, Carl Holmes, Tom Sloan, and Revisor Mary Torrence.

Representative Tom Sloan moved to strike section five of **HB 2406**. Seconded by Representative Josh Svaty.

Discussion by Representatives: Annie Kuether, Tom Hawk, Carl Holmes, Tom Moxley, and Forrest Knox.

Motion failed 8-9.

Motion to table **HB 2406** was made by Representative Don Myers. Seconded by Representative Rob Olson. Motion Passed. Bill tabled.

HB 2419: Carbon dioxide reduction act; income tax deductions and property tax exemptions; regulation of carbon dioxide injection wells.

Representative Tom Sloan moved to amend **HB 2419** (Attachment 3). Seconded by Representative Annie Kuether.

Discussion by Representatives: Vern Swanson, Tom Sloan, Annie Kuether, Carl Holmes, Margaret Long, and Revisor Jason Long.

Motion Carried.

Representative Tom Sloan moved to amend **HB 2419** Page 4 line 37 to return to five and not fifteen. Seconded by Representative Annie Kuether. Motion carried

Representative Carl Holmes presented an amendment to **HB 2419** (Attachment 4). Explanation was given by Revisor Jason Long on New Section 3. The new language takes the CO₂ from a pollutant to a regulatory issue.

Discussion by Representatives: Tom Sloan, and Carl Holmes.

No action was taken on that proposed amendment.

Revisor Jason Long explained the proposed amendment, (Attachment 5), that was brought by Trevor McKeeman, noting the only change would be on line 40 changing 2007 to 2006.

Comments by Representatives: Tom Sloan and Carl Holmes.

No action was taken on the proposed amendment.

Representative Annie Kuether moved to pass out **HB 2419** as amended. Representative Cindy Neighbor seconded the motion.

Discussion ensued by Representatives: Forrest Knox, and Carl Holmes.

Motion carried.

Representative Carl Holmes will carry **HB 2419** on the House floor.

Hearing on:

HB 2429: Funding of research in the development of reclamation technologies and, practices and energy production technologies.

Neutral:

CONTINUATION SHEET

MINUTES OF THE House Energy and Utilities Committee at 9:00 A.M. on February 19, 2007 in Room 241-N of the Capitol.

Dr. Ed Martinko, Kansas Biological Survey, (Attachment 6), offered neutral testimony on **HB 2429** with information to help the committee learn about the biological survey's experience and capabilities as the committee deliberates on the merits of the proposed legislation.

Rex Buchanan, Kansas Geological Survey, (Attachment 7), representing Bill Harrison, offered comments on **HB 2429**, noting some of the ways that the Geological Survey would be utilized, were this proposed legislation enacted.

Proponents:

Tom Sloan, State Representative, (Attachment 8), offered testimony in support of **HB 2429** noting this bill is a result of the special joint committee on energy that met in Fall 2005 through January 2006. This bill would tie dollars transferred from SGF to sales taxes paid by the oil and gas industry. He noted the key element of the bill is to create an increased state commitment to extending the productive lives of the State's existing oil and gas fields and researching ways to increase the States usable waters.

Opponents:

Ed Cross, KIOGA, (Attachment 9), presented testimony in opposition to **HB 2429**. Attached to his testimony is a letter of comment by The University of Kansas-Tertiary Oil Recovery Project, and contact information of other organizations that could offer help in these research areas.

Questions were asked and comments made by Representatives: Tom Sloan, Bill Light, Cindy Neighbor, and Carl Holmes.

Additional questions were answered by: Tim Carr, Kansas Geological Survey.

Hearing on **HB 2429** was closed.

The next meeting is scheduled for February 20, 2007.

Meeting adjourned.