

MINUTES OF THE HOUSE ENERGY AND UTILITIES COMMITTEE

The meeting was called to order by Chairman Carl Holmes at 9:15 A.M. on January 29, 2008 in Room 783 of the Docking State Office Building.

All members were present except:

Dan Johnson- excused

Committee staff present:

Carol Tolland, Revisors Office

Rena Hansen, Committee Administrative Assistant

Conferees appearing before the committee:

Westar-Jim Ludwig

KCPL-Mike Duggendorf, Vice President

Nancy Jackson, Executive Director, Climate and Energy Project of the Land Institute

Tom Thompson, Sierra Club

Jody Craig Mid America Regional Council

Janet Buchanon, KCC

Dave Springe, CURB

Others attending:

Forty including the attached list.

Hearing on:

**HB 2632-Energy Efficiency, conservation and demand management programs at the Kansas Corporation Commission**

Proponents:

Westar, Jim Ludwig, (Attachment 1), presented testimony in favor of **HB 2632** noting that this bill allows investments and expenditures for KCC-approved energy efficiency, conservation and demand response programs to be recovered over time with a return that is to be capitalized. Examples of two things they are trying to get their customers to use are: programable thermostats and compact florescent light bulbs.

Questions were asked and comments made by Representatives: Vaughn Flora, Forrest Knox, Tom Hawk, Vern Swanson,

KCPL, Mike Duggendorf, Vice President, (Attachments 2) presented testimony in favor of **HB 2632**. Additinally, he had a handout (Attachment 3) with charts showing how energy efficiency and renewables will contribute to the increased demand for energy. The concept of the energy efficiency is that a dollar invested in energy efficiency is equal to a dollar invested in long term rate based assets.

Nancy Jackson, Executive Director, Climate and Energy Project of the Land Institute, (Attachment 4), spoke in favor of **HB 2632**, noting the number of energy efficiency meetings that were held last week across the state with participation by both Westar and KCPL.

Tom Thompson, Sierra Club, (Attachment 5), offered testimony in support of **HB 2632** and believes it is time for Utility Companies to be in the business to help customers meet their energy needs by conservation promotion, and not just selling them energy.

Jody Ladd Craig, Mid America Regional Council, (Attachment 6), spoke in support of **HB 2632**, noted that this bill will require organizations to make a public commitment to sustainability.

Written:

CONTINUATION SHEET

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Greater KC Chamber of Commerce (Attachment 7), offered written testimony in support of **HB 2632**.

Olathe Schools, (Attachment 8), presented testimony in writing supporting **HB 2632**.

Opponents:

Janet Buchanon, KCC, (Attachment 9), spoke in opposition to **HB 2632**, noting that the bill would mandate ratebase treatment of utility expenditures for energy efficiency programs. She noted that one drawback is that the incentive is not tied to the actual program performance.

Dave Springe, CURB, (Attachment 10), offered testimony in opposition of **HB2632**, believing that this bill is the most expensive way for consumers to participate in energy conservation measures. CURB offered several suggestions that they believe are better ways of providing the energy conservation services.

Written:

AARP, (Attachment 11), presented written testimony in opposition to **HB 2632**.

Questions were asked and comments made by Representatives: Oletha Faust-Goudeau, Tom Hawk, Cindy Neighbor, Tom Sloan, Tom Moxley, Vaughn Flora, Don Myers, Josh Svaty, Forrest Knox, and Carl Holmes.

It was noticed that one of the best ways as a society to get the most participation in energy efficiency, and the fastest is to get the utilities on board with the programs. It was further noted that the regulation before the committee changes a regulatory accounting structure. Additionally, it was noted that if this bill passes, then the KCC's docket proceedings on this matter would not be needed.

Jeff McClanahan from the KCC also helped answer questions on the retroactive rate making application process.

The hearing was closed on **HB 2632**.

Committee Discussion on:

**SB 49**- Kansas universal service fund, VoIP providers.

Chairman Holmes noted that he would entertain a motion to take **SB 49** off the floor.

Representative Tom Sloan moved to remove **SB 49** off the table for the purpose of debating it as expeditiously as possible, seconded by Representative Cindy Neighbor. Motion carried.

The amended **SB 49** was (Attachment 12) presented to the committee.

Representative Tom Sloan moved passage of **SB 49** as amended to the full body of the House, seconded by Representative Annie Kuether. Motion Carried.

Representative Tom Sloan will carry **SB 49** on the floor of the House.

Representative Tom Sloan moved to introduce three pieces of legislation that 1. Prohibit use of eminent domain by public wholesale water systems; 2. Defines voting rights and procedures in rural water districts; 3. Addresses payment of rural water district debts by third parties, seconded by Representative Judy Morrison. Motion carried.

The next meeting is scheduled for January 30, 2008.

Meeting adjourned at 10:30 a.m.