

MINUTES OF THE SENATE UTILITIES COMMITTEE.

The meeting was called to order by Chairperson Senator Stan Clark at 9:30 a.m. on February 5, 2001 in Room 231-N of the Capitol.

All members were present except:

Committee staff present: Bruce Kinzie, Revisor of Statutes
 Lisa Montgomery, Revisor of Statutes
 Raney Gilliland, Legislative Research
 Tom Severn, Legislative Research
 Ann McMorris, Secretary

Conferees appearing before the committee:
 Danielle Noe, Department of Administration
 Joe Fritton, Department of Administration/DFM

Others attending: See attached sheet

Approval of Minutes

Moved by Senator Tyson, seconded by Senator Taddiken, minutes of the Senate Utilities Committee meetings on January 29, 2001 and January 30, 2001 be approved. Motion carried.

J. C. Long of Utilicorp submitted written response to questions the committee had directed to local distribution companies at the meeting on February 1. (Attachment 1)

Continuation of Hearings on:

SB 3 - Certain percentage of fuel purchased for state motor pool required to be ethanol blend
SB 4 - Certain percentage of fuel purchased for state motor pool required to be biodiesel blend

Joe Fritton, Director of Facilities Management, Department of Administration, provided information on questions from the committee at the February 1 hearings. (Attachment 2)

Barone felt the methods of trading vehicles by other state agencies may be useful for comparison. Brownlee questioned the difference in taxes on regular and ethanol - answer – federal taxes make the difference.

Tom Severn of Legislative Research provided statistics received from the Kansas Oil Marketers Assn. on wholesale ethanol gas prices. Studied the differences in pricing for several months at different locations. (Attachment 3)

Kansas Department of Agriculture submitted written information on the importance of ethanol to Kansas agriculture. (Attachment 4)

Senator Taddiken had asked Koch Industries to locate a study made 2 years ago on U.S. Soy Field Diesel and used one slide that illustrated a 5% increase in miles per gallon of soydiesel over regular #2 diesel. Even though soydiesel cost 3\$ per gallon more than regular #2 diesel, there is a net annual savings of over \$6000 per diesel truck. (Attachment 5)

Information from the National Biodiesel Board giving a quick overview of the status of the biodiesel industry in the United States was provided the committee. (Attachment 6)

Danielle Noe of the Department of Administration explained their proposed changes in **S.B. 3** and **S.B. 4** to include all state facilities. (Attachment 7)

CONTINUATION SHEET

Chair closed hearings on **S.B. 3** and **S. B. 4**.

Committee discussed intent to encourage use of ethanol when available. Bruce Kenzie recommended adding the word "bulk" after the word "all" in section (b).

Moved by Senator Brownlee, seconded by Senator Lee, to amend **S.B. 3** by adding "Section (c) - Individual fuel purchases for state-owned vehicles shall be of fuel blends containing at least 10% ethanol where available under current state purchasing agreement." Motion carried.

Moved by Senator Emler, seconded by Senator Barone, conceptual motion to **S.B 3** to add "bulk" in Section (b) after the word "All". Motion carried.

Moved by Senator Tyson, seconded by Senator Barone, to pass **S.B. 3** as amended. Motion carried.

Moved by Senator Barone, seconded by Senator Emler, to amend **S.B. 4** by adding the same amendments as **S.B. 3** except change from ethanol to biodiesel. Motion carried.

Moved by Senator Taddiken, seconded by Senator Lee, to pass **S.B. 4** as amended. Motion carried.

Next meeting will be held on February 6, 2001.

Adjournment.

Respectfully submitted,

Ann McMorris, Secretary

Attachments - 7