

## MINUTES OF THE SENATE UTILITIES COMMITTEE.

The meeting was called to order by Chairman Senator Stan Clark at 9:30 a.m. on March 8, 2001 in Room 231-N of the Capitol.

All members were present except:

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

Conferees appearing before the committee:

                                      Bruce Graham, Kansas Electric Power Cooperative, Inc.  
                                      Jim Ludwig, Senior Director, Regulatory Affairs, Western Resources  
                                      Jon K. Miles, Kansas Electric Cooperatives  
                                      Cynthia Smith, Kansas City Power & Light

Others attending:        See attached list.

Chairman Clark distributed a list of businesses being represented by an attorney at the Kansas Corporation Commission in regard to natural gas refunds. (Attachment 1)

A document headed "Stateside Associates" regarding the Indiana Residential Energy Efficiency Program which is an income tax deduction, was distributed to the committee. (Attachment 2)

Continued hearing on:

**SB 299 - Promotion of energy efficiency, income tax credits**

Opponents:

Bruce Graham, Kansas Electric Power Cooperative, Inc., opposed provisions in **SB 299** in Section 1 that require a non-profit utility to enter into a net-metering arrangement. He quoted the definition of net metering from the California Energy Commission "Net metering permits you to "bank" your excess electricity and then withdraw it from the grid free for your use later..." Current Kansas law permits the customer to offset his own use and any excess generation is purchased at the utility's avoided cost. (Attachment 3)

Committee members asked about the Florida Power & Light project on wind turbines at Montezuma, how they sell their product and the companies involved. Various net metering proposals were discussed.

Jim Ludwig, Western Resources, voiced opposition to Section 1 of **SB 299**. He noted net metering is not a fair trade and that everyone else pays the cost caused by a customer-generator. (Attachment 4)

Jon K. Miles, Kansas Electric Cooperatives, also opposed Section 1 of **SB 299** and reviewed the Public Utility Regulatory Policy Act (PURPA) one of the five parts of the National Energy Act passed by Congress in 1978, and its intent to encourage co-generation and renewable energy. (Attachment 5)

Cynthia Smith of Kansas City Power & Light, added her vote of opposition to Section 1 of **S.B. 299** and stated reasons therefor. (Attachment 6)

Chairman closed the hearings on **SB 299**.

CONTINUATION SHEET

MINUTES OF THE SENATE UTILITIES COMMITTEE at 9:30 a.m. on March 8, 2001 in Room 231-N of the Capitol.

Approval of Minutes

Moved by Senator Lee, seconded by Senator Emler, the minutes of the Senate Utilities Committee meeting of March 7, 2001 be approved. Motion carried.

Next meeting of the Senate Utilities Committee will be on March 12, 2001.

Adjournment.

Respectfully submitted,

Ann McMorris, Secretary

Attachments - 6