

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 16, 2008 in Room 783 DSOB of the Capitol.

All members were present except:

Dan Johnson- excused

Vaughn Flora-excused

Committee staff present:

Mary Galligan, Kansas Legislative Research

Carol Toland, Kansas Legislative Research

Mary Torrence, Revisor's Office

Melissa Doeblin, Revisor's Office

Rena Hansen, Committee Administrative Assistant

Conferees appearing before the committee:

Lyle Peterson, Department of Commerce

Others attending:

Forty three including the attached list.

The committee and staff members each made a guess at what the price of gas would be at 6th and Quincy on February 1, 2008. Today's price was \$2.79 per gallon.

Representative Rob Olson moved to introduce the list of bills (Attachment 1), seconded by Representative Joshua Svaty. Motion carried.

Lyle Peterson, Department of Commerce, (Attachment 2), spoke to the committee on existing BioFuel incentives in the state of Kansas. His report included information about these programs: Ethyl Alcohol Production Incentive, Bio-diesel Fuel Producer Incentive, Alternative Fuel Tax Credit, Storage and Blending Equipment Tax Credit, Renewable Electric Co-generation Facility Tax Credit, Biomass to Energy Plant Tax Credit, Kansas Retail Dealers Incentive Fund, Waste Heat Utilization System, and Coal or Coke Gasification Nitrogen Fertilizer Plant. It was noted there is a sunset of 2013 on the Ethyl Alcohol Production Incentive. The Federal incentive currently will expire in 2010 according to Representative Holmes. It was also noted that the state offers \$.30 per gallon rebate for Bio-diesel, with no limitations, and \$1.00 per gallon from the federal system, which has been taken out of the current energy plan. These are tax credits to the first blender of the fuel. On the state level the refund is for per gallon sold for the B-100 product. Chairman Holmes noted that there are currently 3 blenders that will be taking advantage of the blending equipment tax credit offered through legislation in 2007, making the blended fuels available in closer proximity to the users. Though no one currently is using the biomass to energy plant tax credit it was noted that the incentive was broadened to include all bio-mass production facilities. It was noted that there are currently no applicants for the incentives, but there is activity out there for the future use of these incentive funds. It was requested that the amount or rate of the incentive and requirements to receive the incentive be given to the committee members.

Questions were asked and comments made by Representatives: Tom Sloan, Don Myers, Carl Holmes, Tom Moxley, Tom Hawk, Forrest Knox, and Vern Swanson.

A discussion ensued on the process of coal gasification to nitrogen fertilizer.

Mary Galligan introduced the new committee staff person from the research office, Carol Tolland.

The next meeting is scheduled for January 17, 2008.

The meeting was adjourned at 10:14 am.