

MINUTES OF THE SENATE UTILITIES COMMITTEE

The meeting was called to order by Chairman Jay Emler at 9:30 A.M. on February 1, 2006 in Room 526-S of the Capitol.

Committee members absent:

Committee staff present: Athena Andaya, Kansas Legislative Research Department
Raney Gilliland, Kansas Legislative Research Department
Bruce Kinzie, Revisor of Statutes' Office
Diana Lee, Revisor of Statutes' Office
Ann McMorris, Committee Secretary

Conferees appearing before the committee:

Jim Ploger, Kansas State Energy Office
Steve Weatherford, Kansas Development Financing Authority
Paul Johnson, Kansas Catholic Conference

Others in attendance: See attached list

Briefings on:

Financing of Energy Conservation Projects

Mr. Jim Ploger, director of the Kansas Energy Office of the Kansas Corporation Commission, briefed the committee on financing of energy conservation projects on State buildings. The Kansas Energy Office administers the Facility Conservation Improvement Program (FCIP), a streamlined program which allows public entities to finance energy improvements with future avoided utility costs. (Attachment 1)

Energy Conservation Finance Options

Steve Weatherford, president of the Kansas Development Finance Authority (KDFFA), noted that KDFFA financing typically involves the issuance of tax-exempt bonds, which offer borrowers the lowest borrowing cost available. He reviewed the types of revenue bonds KDFFA is authorized to issue and their purposes. (Attachment 2)

Energy Conservation & Bonds

Paul Johnson of Kansas Catholic Conference, presented concerns in three areas regarding conservation financing that could be considered which could assist in economic development by attracting new business and assisting existing firms in reducing their operating costs. (Attachment 3)

Considerable discussion on energy costs, interest factors, other borrowing alternatives, waiting periods and eligibility criteria.

Adjournment.

Respectfully submitted

Ann McMorris, Secretary

Attachments - 3