

MINUTES OF THE SENATE UTILITIES COMMITTEE

The joint meeting of the House and Senate Utilities Committees was called to order by Chairman Carl Dean Holmes at 9:15 a.m. on January 13, 2005 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
Ann McMorris, Committee Secretary

Conferees appearing before the committee: Lee Allison, Chair, Kansas Energy Council
Hal Gardner, Executive Director of Kan-ed

Others present: See attached list

Kansas Energy Council Briefing

Lee Allison, Chair of the Kansas Energy Council, presented the 2005 Kansas Energy Report.

(Attachment 1) Mr. Allison noted the Council goals included energy self-reliance, restoration of Kansas energy exports and low-cost reliable, sustainable energy produced in Kansas where possible. The council policy is a balanced approach: reduce demand by conservation and efficiency and increase supply by extending life of existing energy sources and developing new energy sources. He described the progress of a current pilot project in Russell County to recover additional oil by carbon dioxide flooding and the potential of recovering millions of gallons of oil that would otherwise be lost. Other sources of energy are wind and electric generation by fuel.

FutureGen is a one billion dollar, 10 year project to create the world's first coal-based, zero-emission electricity and hydrogen plant with sequestration and Kansas is one of the bidders for this project Dr. Allison covered various areas of this project including site selection issues, competition, the Industrial Alliance membership, why Kansas would be a good location, KEC action items, Executive Branch recommendations and KEC Legislative recommendations. Following Dr. Allison's presentation, there was a brief question and answer session.

Kan-Ed Executive Summary

Hal Gardner, executive director of Kan-ed, presented the Vision and Mission Statement and the primary objectives of Kan-ed. (Attachment 2) Mr. Gardner noted the legislative act that created Kan-ed includes a sunset provision effective June 30, 2005 and their recommendation to the legislature would be to extend the support from Kansas Universal Service Fund (KUSF) for three years in order to guarantee progress of this program. Following his presentation, Mr. Gardner was questioned on the length of contracts with industry providers and the extent of redundancy. He will send a written response to the committee on these two questions.

Adjournment.

Respectfully submitted,

Ann McMorris, Secretary

Attachments - 2

CONTINUATION SHEET

MINUTES OF THE Senate Utilities Committee at 9:30 A.M. on January 13, 2005 in Room 526-S of the Capitol.