

MINUTES OF THE HOUSE ENERGY AND UTILITIES COMMITTEE

The meeting was called to order by Chairman Carl Holmes at 9:15 A.M. on February 5, 2008 in Room 783 of the Docking State Office Building.

All members were present except:

Dan Johnson- excused

Committee staff present:

Mary Galligan, Kansas Legislative Research
Carol Toland, Kansas Legislative Research
Mary Torrence, Revisor's Office
Melissa Doebelin, Revisor's Office
Rena Hansen, Committee Administrative Assistant

Conferees appearing before the committee:

Earnie Lehman, Sunflower Electric
Robert McLennan, Tri-State
Wayne Penrod, Sunflower Electric
Duane Simpson, Ethanol Producers
Cory Peterson, Associated General Contractors of Kansas, Inc.
Jarrod Forbes, Orion Ethanol
Rich Taylor, Central and Western Kansas Building and Construction Trades Council
Amy Blankenbiller, Kansas Chamber of Commerce
Bill Smalley, Smalley Heating and Cooling

Others attending:

Sixty including the attached list.

(Attachment 1) A map of the coal plants, and wind plants, in the state of Kansas was passed out to committee members.

(Attachment 2) Annual projected impact of the project that would be created if the plants are built.

Continued hearing on:

HB 2711-Electric generation, transmission and efficiency and air emissions.

Earnie Lehman - (Attachments 3) presented testimony in support of **HB 2711**. He noted the long range time frame involved to make a project like Sunflower's Holcomb plant, come to fruition. Additionally included in his testimony is a report produced by the Kansas Research Department, (Attachment 4) comparing the price of electricity between eastern and western Kansas. Also included is a chart showing (Attachment 5) the price differential between the east and the west parts of the state.

Robert McLennan, Senior Vice president, External Affairs, Tri-State, (Attachment 6) presented testimony in support of **HB 2711** noting why Tri-State has been involved in this issue and the legislation.

Wayne Penrod, Executive Manager Environmental Policy, Sunflower Electric, (Attachment 7), presented testimony in support of **HB 2711** noting the ways in which it is possible to increase coal base-load generation and still provide environmentally cleaner coal electric energy production than has previously been ever possible. He noted that the transmission lines that would be built to carry the energy from the plant would be large enough to carry renewable energy to the east and west parts of the United States.

Duane Simpson, Ethanol Producers, (Attachment 8), offered testimony in favor of **HB 2711** noting that the bill helps to make clear that the regulations for air quality permits are followed, and not allowed to be changed at the discretion of some Kansas state agency. In his testimony were instances in which they have some disagreements with the details of the legislation.

CONTINUATION SHEET

MINUTES OF THE House Energy and Utilities Committee at 9:15 A.M. on February 5, 2008 in Room 783 of the Docking State Office Building.

Cory Peterson, Executive Vice-President, Associated General Contractors of Kansas, Inc., ([Attachment 9](#)), presented testimony in support of **HB 2711** noting a minor suggested amendment to the bill.

Jarrold Forbes, Orion Ethanol, ([Attachment 10](#)), offered testimony in support of **HB 2711**, noting that their project and projects like the Sunflower plant will help to revitalize the economy of small rural communities.

Rich Taylor, Central and Western Kansas Building and Construction Trades Council, ([Attachment 11](#)), presented testimony in support of **HB 2711** noting the number of jobs this facility will produce for western Kansas.

Amy Blankenbiller, Kansas Chamber of Commerce, ([Attachment 12](#)), presented testimony in support of **HB 2711** specifically supporting sections 30, 31, 32, and 33. She noted that the Chamber is opposed to the KDHE's ruling on the air permit based on the CO₂ emissions that were not defined as pollution by Federal or State regulations. They support businesses being treated fairly in the regulatory process in the State of Kansas and the regulatory framework of existing regulations. She also noted they have issues with: the legislature creating an emission limit for a specific environmental constituent (i.e. carbon dioxide) through statute instead of by regulation, and the carbon tax, which would make Kansas the first state in the nation to adopt a carbon tax by statute instead of going through a well-established regulatory framework.

Bill Smalley, Smalley Heating and Cooling, ([Attachment 13](#)), noted his support of **HB 2711** noting specific suggestions for improvement of the net metering portion of the bill.

Written testimony in support of **HB 2711** was submitted.

Coffey County Commissioners ([Attachment 14](#)) submitted testimony in support of **HB 2711** noting their continued support of Sunflower Electric Power Corporation's proposal to construct two coal-fired electric generation facilities in Finney County.

Paul Beck, President, Kansas Legislative Policy Group, ([Attachment 15](#)), submitted testimony in support of **HB 2711**.

Questions were asked and comments made by Representatives: Tom Hawk, Peggy Mast, Cindy Neighbor, Josh Svaty, Vaughn Flora, Carl Holmes, Terry McLachlan, Oletha Faust-Goudeau, Vern Swanson, Richard Proehl, Tom Sloan, Bill Light, and Tom Moxley.

One legislator questioned the means of using legislation to stop the opinion of one appointed State administrator as opposed to using litigation. It was noted that many felt that legislation as well as litigation needed to be pursued in this matter. It was noted that there have been ethanol facilities that have been in the plans that have left the state due to the denial of the permit due to CO₂ emissions. One person noted that they felt the Secretary should not make a decision based on emission standards that are more stringent than federally established regulations.

The next meeting is scheduled for February 6, 2008.

The meeting was adjourned at 11:00 a.m.