

**Kansas Energy Council
Minutes, September 15, 2005**

The meeting was called to order by Chair, Lee Allison at 9:30 a.m., Thursday, September 15, 2005, at the Kansas Corporation Commission First Floor Hearing Room, Topeka.

KEC members present:

Lee Allison, Chair	Jessie McCurry (designee for Patty Clark)
Brian Moline, Vice-Chair	Gene Merry
Rick Anderson	Richard Nelson
David Dayvault	Adrian Polansky
Sarah Dean	Bruce Snead
Steve Dillard	David Springe
Colin Hansen	Tracy Streeter
Mike Hayden	Michael Volker
Donna Johnson	Curt Wright
Stuart Lowry	

Visitors:

Mike Moffet, KCC	Joe King
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Staff:

Ernie Dominguez	Scott White, KGS
Jerry Lonergan	

Opening Comments and Introductions

The minutes of the May 19, 2005 meeting were adopted with a correction to Page 10 – the word “worldwide” changed to “rural.” Donna Johnson moved to adopt the minutes and Brian Moline seconded the motion. Motion passed.

Steve Dillard moved to adopt the July 21, 2005 meeting minutes. The motion was seconded by Gene Merry. The minutes were approved as written.

Maps were distributed – proposed location for new coal-fired power plants, updated wind energy projects, and proposed and existing ethanol plants.

Transmission Authority – discussion took place about appointments and the manner of election of the Authority Chair.

Focus of meeting - Renewable Energy Roadmap - establish priorities in renewable energy.

Lee Allison discussed lessons to learn and opportunities coming from Hurricane Katrina, both in policy and how we handle energy in the state.

Discussion of the budget was deferred for further exploration of how energy issues are being handled within the state system.

Future Generation Power Plant – Jerry Lonergan is working with communities to partner with in the effort to attract FutureGen to Kansas.

***Moved into formal topics of the meeting.

What's happening across the nation? Lee Allison commented on the U.S. energy segment being pushed to the limit and stated a list of many reasons and causes. Those being demand, political, dependence on foreign oil, etc.

General Discussion – David Sprunge and Brian Moline discussed their concern about the high cost of natural gas right now and into the winter. They said there needed to be a change in human behavior, which would take time.

Michael Volker, with Midwest Energy, stated that gas bills are expected to be at least 50% higher this winter. He also stated that there needed to be leadership from the Governor's office and the KCC.

There then was a very lengthy discussion of the high cost of natural gas and the impact to residential, commercial and industrial customers. Following that was a general discussion of the economic impact.

Curt Wright gave an overview of the gasoline situation, including the price and supply issue. Curt stated there was sufficient supply, but an allocation system was in place to assure future supply.

Donna Johnson questioned why the Council doesn't make the current situation and energy efficiency a top priority. Donna is building on Sarah Dean's comments and concerns on importance of efficiency. Donna also questioned how priority decisions are being made.

Richard Nelson – Presentation on "Renewable Energy Overview for Kansas." A draft paper was distributed to the Council. Richard commented that the committee needs to step back and re-assess priorities and better define the need and priority. Donna Johnson agreed. Several members expressed frustration that real progress is not being made. Richard stated that there was a need to ask questions - Does a specific renewable make sense for the state and economics?

***There is a need for clear discussion and decision as to what energy areas the Council wants to focus on. The Council seems to be asking about what the goal of the State is so time and energy can be directed and real progress made. There is a concern of limited staff time vs. the issues. Because of Hurricane Katrina, it may be that some issues should be set aside and the focus be on energy conservation and efficiency.

There was discussion of how the Renewables Committee evaluates and quantifies what projects to pursue and develop policy on.

David Springe made a motion to suspend work on long-term projects and focus on energy conservation and efficiency. The motion was seconded by Stephen Dillard. Policy and legislative recommendations are to be included.

Discussion of motion – Donna Johnson suggested that the suspension be defined as to the end of this year, 2005.

Richard Anderson disagreed, stating that it makes the Council focus on a single issue and only be reactive. Bruce Sneed agreed, but said he would like some balance and to continue some of the long-term roadmap work.

The policy recommendations are due in a month.

Adrian Polansky said he would like to see just the primary focus on the current situation, and not totally suspend all other work.

Brian Moline made general comments supporting the motion, saying that it provides a clear signal to staff, and doesn't impact future work.

Discussion of funding - lack of funding is the reason why projects are not moving forward.

David Springe said he was in agreement with the language if it can be changed to something such as "primary focus on conservation and efficiency."

There was a motion made by Jesse McCurry to amend the language to "primary focus on conservation and efficiency." Donna Johnson seconded the motion.

The amendment passed unanimously.

The motion was closed and passed unanimously by verbal vote.

Lee Allison distributed three reports to the Council for future discussion. The Council stated that they wanted to spend the balance of the meeting discussing "Conservation and Efficiency."

*****Discussion on special topic of immediate need – "Conservation and Efficiency"

Bruce Sneed asked for feedback on:

- What is the threat to the members-represented group?
- What is needed to address the need?
- What program/project is the most needed in the short-term?
- Who is best to implement the proposed action?
- What financial resources are needed and where are they available?

There was a discussion of the role of the sub-cabinet. The sub-cabinet is focusing on how to implement policy developed through the Kansas Energy Council.

Sarah Dean made some comments on community wind.

The meeting adjourned at 12:15 p.m.