

**Kansas Energy Council
August 15, 2007 Meeting Notes**

KEC Members Attending:

Ken Frahm, Co-Chair	Stuart Lowry
Lt. Gov. Mark Parkinson, Co-Chair	Galen B. Menard
Luke Bell	Gene Merry
David Dayvault	Hans Nettelblad
Sarah Dean	Adrian Polansky
Joe Dick	Bill Riggins
<i>Marty Dubois [for Bill Harrison]</i>	Mark Schreiber
Steve Dillard	Tom Sloan
Jay Emler	Bruce Snead
<i>Ron Hammerschmidt [for Roderick Bremby]</i>	Dave Springe
Carl Holmes	Josh Svaty
Mike Kelley	Mark Taddiken
Jeff Kennedy	Michael Volker
David Kerr	Steve Weatherford
Greg Krissek	Curt Wright
Janis Lee	Tom Wright

KEC Staff Present: Liz Brosius, Dana Maher, Corey Mohn

Opening remarks

KEC Co-Chair Ken Frahm welcomed everyone, noting that the Council has enough assembled talent to solve all the world's problems. Co-Chair Mark Parkinson noted that the KEC is progressing in a good direction and summarized growth in biofuel and wind power in the state and identified energy conservation and efficiency as the largest unexploited opportunity.

Council members introduced themselves. Tom Wright, KCC Chairman, noted that he would be abstaining from all votes.

KEC updates

KEC Director Liz Brosius reviewed recent discussions with Center for Climate Strategies (CCS) and the decision of the special committee to reaffirm Council's June 18th decision to continue with KEC policy planning process rather than to pursue a contract with CCS to develop a "climate action plan." Brosius also noted that KEC staff was in the process of negotiating with contractors for the statewide energy efficiency potential study and hoped to have a contract in several weeks. She also pointed to two recent studies—a summary of Community Wind incentives and a catalog of Kansas Energy Incentives—that had been completed and were available on the KEC web site.

Brosius also noted that the KEC was at that point in the planning process where working drafts of policy recommendations would be discussed and possibly endorsed for further

discussion during the public comment process. A public hearing will be held on October 10th at the Statehouse, as well as public forums on September 26, 1:30 to 5:00, at the Kansas Renewable Energy & Energy Efficiency Conference.

Update on statewide consumer energy education & conservation program

Stuart Lowry summarized the activities of the Utility Energy Education Committee of the “Statewide Consumer Energy Education & Conservation program,” coordinated by Jim Ploger at the Kansas Energy Office (KEO). Lowry described a July 19th presentation to the committee by Positive Energy, a new company that is marketing an approach to motivating conservation by showing consumers how their energy use compares to their “neighbors.” The KEO has applied for a DOE grant to plan and operate a pilot program using Positive Energy’s approach, in cooperation with the state’s utilities. As part of the statewide education effort, the Land Institute’s Climate & Energy Project (CEP) will provide education and outreach through churches and other civic organizations.

Sarah Dean asked about the amount of the grant request, and Susan Duffy, KCC Executive Director, noted that it was close to \$1 million.

Update on KEO buildings program

Russ Rudy, KEO Buildings Program Manager, summarized the Facility Conservation Improvement Project and other activities of the KEO Buildings Program: 9 projects are currently underway; 6 were recently closed out; and 10 prospects are being reviewed. Rudy noted that they were marketing the program extensively, were working with the Greensburg GreenTown initiative (e.g., brought a DOE grant to provide a home energy rater for the community). Among other activities, the FCIP is working with the Department of Administration to implement the Governor’s directives to improve the State’s buildings (both owned and leased properties), with Eisenhower and Docking currently being evaluated and evaluate any Regent’s upgrades and construction (over \$100,000) for possible inclusion in FCIP.

Mark Schreiber asked about need for training more energy efficiency raters and Rudy agreed that more were needed and said they want to work with EPA program that provides certification.

Jay Emler asked Rudy to contact the Senate Ways and Means Committee in December or January to update on FCIP’s activities.

Dean asked whether FCIP also translated dollar savings into units of energy saved and Rudy said that all savings were calculated in fuel units, though monetary savings were generally more understandable. They also calculate GHG emissions reductions.

Hans Nettleblad asked if FCIP deal with building envelope and things like stormwater retention, in addition to mechanical and electrical upgrades? Rudy said yes it does, noting that FCIP projects even included behind the meter wind. Rudy also pointed out that all of the FCIP-approved ESCOs were LEEDS- certified.

Janis Lee asked if FCIP had looked into community wind, and Rudy noted that since FCIP works with individual structures, they didn't deal with community wind.

Update on Kansas ethanol and biodiesel activity

Corey Mohn summarized recent updates to the August biofuels map and reminded KEC that a biofuels working group had been established to coordinate state agency activities, particularly with respect to the permitting process. He noted that the Agengoa facility at Hugoton would have a groundbreaking ceremony on August 23.

Galen Menard asked for an estimate of additional capacity that will be developed in Kansas; Mohn deferred to Greg Krissek, who said that (with what's currently being constructed) the ethanol industry would be consuming roughly 50% of the state's grain.

Carl Holmes noted that many of the projects on the map won't be built because of capital problems, and Mohn agreed that many of the permitted facilities (KDHE permits are good for 18 months) may not be constructed.

Curt Wright brought up the new EPA rules and regulations that will affect marketers beginning September 1, as a result of the renewable fuels standard in EPACT '05. He noted that marketers just got these rules and have a huge learning curve and face some uncertainties about the auditing provisions. The marketers have asked Gov. Sebelius to request a 90-day extension to allow Kansas marketers to receive training and more details about reporting requirements.

Update on U.S. farm and energy bills

KEC Research Assistant Dana Maher noted that both bills are contentious and both have been threatened with potential presidential vetoes. Maher pointed out some of the highlights in each of the bills (see summaries in meeting notebooks), noting some of the political issues.

Nuclear Energy Institute presentation

Mary Quillian, NEI Business & Environmental Policy Director, gave a PowerPoint presentation entitled Update on New Nuclear Development (a copy of this PowerPoint is available on KEC web site: <http://www.kec.kansas.gov/meetings.htm>).

Presentation highlights: The U.S. has 104 nuclear plants with annual capacity factors approaching 90%. A bi-yearly dip in output is the result of the refueling cycle. Nuclear power now costs less per energy unit than coal; has an outstanding safety record; emits no greenhouse gases (Wolf Creek avoids 9.3 million tons of greenhouse gas emissions annually, and a new plant would avoid an additional 9.7 million tons per year, twice the amount of Kansas passenger car emissions); demand for electricity is projected to increase 45% between now and 2030; waste management is being improved and traditional view of one-time use of fuel is being replaced by R&D into recycling (though technology will take 20-30 years to develop); unlike current 104 plants, which have unique designs, new plants will be standardized, reducing costs and review time for new plant permitting; 2005 Energy Policy Act provides incentives and funding for new plant construction, as well as project standby support during permitting delays and a loan guarantee program.

Q&A: Dean asked if Quillian was familiar with Amory Lovins and his article(s) in Nuclear Engineering International (Dec. 5, 2005) and whether she thought Lovins would agree with her presentation? Quillian said she wasn't familiar with the articles and doubted that Lovins, who sees meeting future demand with energy conservation and efficiency, would agree with her presentation.

Dean also asked if there were downsides to nuclear power that the Council should be aware of? Quillian said the biggest issue is high cost associated with building a new plant, noting that it was similar to clean coal technology with carbon capture and sequestration. Another issue is the time it takes to prepare an application. Her concern is that, in the interim, lots of new gas-fired facilities will be built because they are easy to permit and relatively easy to construct (only 18 months from proposal to generation).

Frahm asked if there was a current figure for capital cost per megawatt, and Quillian said unfortunately no, adding that it's important to think in terms of megawatt-hours since capacity factors vary widely.

Menard asked how the State was involved in 3-year permitting process. Quillian noted that the NRC issues permits, but public hearings is part of that process.

Bruce Snead asked about the estimated life of a nuclear power plant, and Quillian said that current plants were licensed for 40 years and 48 of these have been granted 20-year extensions. Engineers will tell you 50 to 80 years, but most PUCs will assume a 40-year life.

Snead also asked about waste storage capacity, and Quillian replied that a number of different storage designs are used and capacity is adequate.

Schreiber wondered if NEI had noticed a resurgence in university nuclear engineering programs and Quillian said there is growing interest in these programs.

Nettleblad noted that nuclear disasters are perceived as catastrophic and that it only takes one and asked Quillian to comment on plant safety. Quillian distinguished between the accident at Three Mile Island (saying that the damage was mostly psychological) and Chernobyl, where a dangerous design allowed for radioactive release; modern safety systems are extremely effective, new plants have passive systems that are extremely reliable, and active systems are triply redundant.

Biomass draft policy recommendations

Following Maher's comments on the summary of state and federal support for cellulosic ethanol research and development (included in meeting notebook), Mohn noted that efforts were underway at Commerce to increase coordination of R&D activities. The Office of Rural Opportunities at Commerce will connect agricultural programs with other state and federal programs.

Mohn then summarized the single staff draft recommendation for internal program reviews of existing and recently established biofuels incentives:

“Encourage State agencies currently administering biofuel incentives to coordinate an internal program review of existing biofuel incentives and report to Legislative Committees on both the effectiveness and potential problems, inefficiencies.”

Tom Sloan asked how the program review would work, and Mohn replied it would work on a project by project basis, with an annual report.

There was general discussion about coordinating reporting process, and Secretary Kerr noted that Commerce would be willing to take the lead on this and that the fiscal note, for the present at least, would be zero.

Mark Taddiken moved that the recommendation be adopted for the next step in the planning process; Lee seconded; motion passed unanimously. [Frahm reminded everyone that only KEC members or their official designees were eligible to vote.]

GHG Emissions draft policy recommendations

Before summarizing the two staff draft recommendations for GHG emissions, Brosius provided an overview of staff’s general policy framework (based largely on the staff review of Greenhouse Gas Policy and Economics). She noted that market-based policies have been shown to be the most cost effective way to reduce emissions, and that the international scale of the climate change problem required, at the very least, national regulation.

Ron Hammerschmidt added that the National Climate Registry, of which Kansas is a member, now includes 30 states. He also noted that a number of state coalitions—the Western Governor’s Association, Midwest Governor’s Association, and the Western Climate Initiative—are discussing GHG reduction methods, with cap and trade at the top of the list.

Brosius summarized the two draft recommendations:

- “1. The Governor and Legislature should urge the U.S. Congress to enact regulation of greenhouse gas emissions, using market-based policies (i.e., a cap-and-trade system and a GHG tax).”
- “2. At the state level, Kansas should vigorously promote cost-effective energy conservation measures that will reduce consumption of fossil fuels and thereby reduce GHG emissions.”

Frahm invited a discussion of whether the KEC felt that federal regulation was the way to go, noting that his personal opinion was that economic disadvantages would prevent states from adopting their own regulations.

Holmes opposed the recommendation, stating that he was very much in favor of the second recommendation (to promote energy conservation at the state level) and should vigorously pursue conservation and efficiency in all public buildings. However, he said a federal GHG tax would hurt Kansas consumers, especially the poor, and revenues may not be used for GHG reduction. He mentioned that unless China gets on board, then U.S. efforts will not matter, concluding that any GHG policy will have to be international.

Jeff Kennedy said that Carl's observations about China were true.

Taddiken noted that there was enormous public support for GHG policy and asked whether, in light of this, the KEC ought to make a recommendation?

Brosius said that Rep. Holmes was correct in that any policy to reduce GHG emissions will raise the cost of activities that combust fossil fuels.

Steve Dillard said one perceived advantage of federal legislation is that it applies the same handicap to every state. However, due to the large size of Kansas' oil and gas production sector relative to other states, Kansas will be disproportionately affected compared to other states.

Bill Riggins said he believes that regulation will occur and isn't suggesting that Kansas shouldn't participate, but his concern with the policy recommendation is that we need to be supporting the right kind of regulation.

Emler noted that his initial impression is that this will never pass the (Kansas) Senate. This proposal is too nebulous and has too many consequences.

Parkinson said that the Governor has already supported this, and it doesn't help for the Council to propose something that won't pass. He agreed with Holmes that on the international regulation issue, and the U.S. is on shaky ground telling other countries what to do when they lack electricity in some regions and we consume so much. Kansas' economy as a whole might possibly be benefited by a cap and trade system since Kansas has phenomenal renewable generation capability. If wind becomes cheaper than coal, thousands of megawatts can be installed. No-till farming gives Kansas additional credit trading leverage. A geographical divide is forming in the U.S. Congress that reflects distribution of renewable generation potential. He recommended endorsing #2 and tabling #1.

Frahm asked Emler if he could be more specific about the unpalatable elements in #1 and Emler said the wording encompasses too many unknowns. Politicians will consider that next year is an election year and voting for this recommendation is indicating favor for a tax. Frahm asked where is the biggest trouble, and Emler said the "market-based policy" wording.

Josh Svaty agreed that these are complex issues, but disagreed that legislature wouldn't be able to pass something.

Holmes said that the northwest has hydroelectric power, Illinois has nuclear power, and other states have similar tools that are superior to Kansas. Kansas will be a national leader in per capita wind generation. An electric company in China blasted the U.S. for subsidizing wind power because the incentives make wind turbines very expensive in China. Said he couldn't support a recommendation for legislative action.

Frahm said we're not asking for legislative action. Holmes pointed out that the wording includes "the governor and the legislature."

Dean said she had two things to say about the second recommendation. First, she'd like to see methods for accounting for amounts of greenhouse gas emissions reductions. Second, she suggested that the Goals committee revisit the question of measurable goals and wondered what had happened to the committees?

Brosius said that, although the three committees still exist, for the rest of the calendar year, the Council would work as a committee of the whole. She noted that one of the recommendations of the Goals committee was to investigate GHG emissions and the KEC staff review was a direct outcome of that.

Kennedy said he knew where this recommendation came from and was part of formulating it, but I still don't like it. It must be rearticulated. I move that these recommendations be tabled and revisited after people have had a chance to think about things.

Dean seconded the motion; a general discussion followed of how to revisit the recommendation before the public comment process since KEC was subject to open meetings.

Parkinson noted that he was in favor of Kennedy's recommendation, that this was a great topic, but we're spending too much time on it. This has been a good discussion; the topic was not a failure.

Dean asked Kennedy to repeat his motion; Kennedy said "My motion is simply that these recommendations be tabled, and whether it's for November or whatever, I don't care. Frankly, I'm personally interested in public comment. I would table these recommendations until people have had time to think about them."

Snead was concerned that tabling the second recommendation would impact the series of energy conservation and efficiency recommendations, but Brosius said she didn't think that was the case. Frahm concurred. Snead said he'd like to preserve some level of GHG recommendation.

Holmes said if we table this, I'd like to see #2 moved into the energy efficiency discussion this afternoon. I have questions about #1 being construed as meaning no new industry, but the energy conservation and efficiency sections must be preserved.

Frahm pointed out that what we lose is the GHG component. Are we ready to lose that for the moment?

Brosius suggested alternate wording for this recommendation: "To reduce GHG emissions at the state level, Kansans should vigorously promote energy efficiency and conservation measures."

Carl Holmes proposed: "At the state level, Kansas should vigorously promote energy efficiency and conservation measures." State government should take the lead in this, and I do not want this applied to new industry.

Brosius noted for this to be a GHG recommendation, we have to mention GHG in the proposal. Holmes reiterated his concerns about damaging state industry.

Emler reintroduced the motion to table this and suggested inclusion of #2 in the discussion this afternoon.

The GHG recommendations were tabled by a unanimous vote.

Lunch break

Ethanol industry presentation

Dave Vander Griend, ICM President and CEO gave a PowerPoint presentation on the ethanol industry (a copy of this PowerPoint is available on KEC web site: <http://www.kec.kansas.gov/meetings.htm>).

Schreiber noted the major critique of ethanol so far has been over conversion efficiency and the amount of fuel needed to produce a gallon of ethanol. Can you speak to this criticism? Second, will we see a glut of ethanol plants? Vander Griend replied that ethanol is a lower BTU fuel; a gallon of ethanol contains 76,000 BTUs while a gallon of gasoline contains 121,000 BTUs. With respect to water, ethanol uses three gallons of water for every gallon produced, most of which is cooling tower water and that they are improving the amount of water we use. As for a glut of plants, we don't control marketing.

A general discussion of cellulosic and grain-based ethanol followed, including a mention of Brazil's sugar-based industry, with its much lower labor costs.

Frahm asked for an estimate of the grain to cellulosic ethanol ratio in 15 years, and Vander Griend said a 50/50 split is likely and that we should remember that cellulosic ethanol will take some time to develop. Cellulosic facilities require twice as much water for production, making this an important siting consideration.

Dean asked if K-State is excited about or interested in "field waste removal"? Vander Griend passed the question on to Krissek, who said USDA National Resources Conservation Service (NRCS) will likely be involved in the investigation of field waste removal, and there is less surplus biomass available in western Kansas.

Additional discussion of cellulosic technology and its viability followed. Vander Griend said the technology is in the development stage and it's really difficult to compete with corn since the residue left over from processing corn is still a useful food stock.

Nettelblad asked what happens to the residual water left over after processing? Vander Griend said leftover water is cooling tower blowdown. There is no discharge surface, no waste treatment, and no process water discharge.

Nettelblad asked what are the waste products and Vander Griend said there are no waste products. Frahm noted that carbon dioxide might be a waste product, but people have been talking about recycling that too.

Energy Conservation and Efficiency draft policy recommendations

Brosius provided a brief overview of the outcomes from last meeting and the steps taken (or not taken) to develop the draft recommendations before the Council today. She summarized the first draft recommendation requiring legislative action, which would provide stable State funding to the existing Weatherization Assistance Program (WAP), operated by the Kansas Housing Resources Corporation (KHRC).

The exact language of the recommendation was: “Expand weatherization assistance to low-income households.”

Snead said he thought the State was already funding the Weatherization Assistance Project (WAP); Brosius noted that \$2 million was a one-time appropriation.

Following general discussion, with some input from WAP staff in the audience, the motion was passed unanimously (Michael Volker moved; Snead seconded).

Brosius summarized the second recommendation requiring legislative action, to provide State funding to the Kansas Association for Conservation and Environmental Education (KACEE) to establish energy conservation education in the public schools. She pointed out that this recommendation is closely related to the previous year’s recommendation, which was embodied in SB 128.

The exact wording of the recommendation was: “Provide funding for energy conservation education in the public schools (K-12).”

With respect to the funding request of \$30,000, Dean wanted to clarify that the state would be providing \$30,000 per year in funding, and wondered if that amount was adequate? Brosius said that KACEE staff had advised that \$30,000 would allow them to reach 200 educators a year.

Emler asked if the Department of Education or anyone else had input on the recommendation and raised doubts about whether this program would keep such a small price tag. Brosius asked Laura Downey, KACEE Executive Director, to respond to Emler’s questions. Downey said that the State Dept. of Education was on KACEE’s board.

Brosius clarified that the training is something that teachers would voluntarily seek out. The funding is not to provide a mandatory program for teachers.

Svaty noted that additional questions would be part of the discussion during the public comment phase. Anyone with concerns can come in and voice them at that time.

Lee asked if, in essence, what KACEE does is help teachers develop class plans, and Downey said that, yes, that was part of what they do.

Svaty moved that the recommendation be released for discussion during the public comment period; Lee seconded the motion.

Nettelblad wondered if the energy conservation curricula dealt only with conservation and Downey replied that there was more to the program. Holmes wondered if western Kansas, rural school districts were included in KACEE's programs and how they reached these teachers. Downey said it depended; sometimes they provide workshops to entire schools and sometimes they collect teachers from many locations for a central workshop.

In response to additional questions from Holmes, Downey affirmed that poorer districts (including western Kansas districts) were served and distance learning programs were available.

The Council voted unanimously in favor of the motion.

Brosius provided some background on K.S.A. 66-1227, the law that addresses the state's energy efficiency standard for commercial and industrial structures. Although this law was amended during the recent legislative session, Brosius noted that the law might need additional amendments to clarify how this standard can be applied in the absence of any enforcement mechanism.

The exact wording of the draft recommendation was: "Amend existing laws relating to energy efficiency standards for commercial and industrial structures."

Emler said that, having some familiarity with this bill, he believed it to be a hard-won compromise and was not comfortable with altering this outcome, and would like to go on record as abstaining from voting on this recommendation.

Holmes agreed, saying the building industry was very strongly against this and would not compromise any further than the resulting bill. If this is to be changed, the building industry must be brought on board. Lee agreed that this was as far as they were able to go.

Bell said he wondered who will enforce, how will enforcement occur, and who will pay for everything?

Nettelblad said the mechanism for code review already exists. Bell responded that 75% of the state has no building codes or code inspectors, so I disagree with this assertion.

Frahm asked what percentage of construction occurs in the other 25%? Nettelblad said that most of the industrial and commercial construction will mostly occur in the 25% of the state that does have code enforcement.

Tadikken stated that the KEC should not be deciding based on what will or won't pass the legislature but rather on what is best policy. Frahm agreed, but noted that the KEC doesn't want to send constant turn-down items to the legislature and develop a reputation.

Holmes reiterated that we all need to push or the building industry will crush it.

Volker agreed that this is good policy.

Emler asked if the council wanted to put forward an initiative that won't go anywhere? We want the reputation of being a group to listen to.

Svaty moved to forward this recommendation on for public comment, in order to see how the building industry will respond; several people seconded.

Bell said we need more information about the funding and enforcement mechanism for an intelligent discussion to occur if the recommendation is moved forward.

Frahm asked if he was right in assuming that this would require significant extra work?

Brosius replied that, although staff had done some work on this, including a survey of cities of the first class and a survey of Midwestern state building codes, they didn't currently have a specific proposal for how enforcement would be structured or funded. These details would be added if the Council decides to move forward today and entertain discussion during the public comment period. Bell argued that such details must be known before notice and comment so that the industry may respond.

Following further discussion of how further details might be developed in a short time frame, Frahm called for a vote on Svaty's motion. The motion passed (Bell opposed; Emler abstained).

Brosius noted that recommendation regarding energy efficiency standards for State buildings would likely require legislative action and would also be a topic of discussion during the interim legislative committee hearings.

The exact wording of the draft recommendation was: "Adopt energy efficiency standards for all new State buildings."

Holmes said Council should adopt this today and expand it after the public hearing. He moved to move this forward now with the understanding that it expands to all taxpayer funded projects after the federal hearing.

Schreiber said he agreed with this recommendation, but we should include local units of government so that they are aware and come to the hearing. Bell noted that the State would be remiss if we didn't address public buildings while regulating private.

After changing wording in recommendation to "*Adopt energy efficiency standards for all new publicly funded structures,*" Emler seconded the motion and the motion passed unanimously.

Brosius explained that the next recommendation, to redesign the existing low-interest revolving loan program (KEEP), grew out of discussions with KHRC staff and Steve Weatherford, KDFFA. She described the relatively low level of participation to date (17 loan

applications received, 11 loans completed since program launched in November 2006). Noted that the successful Nebraska program is a good model.

The exact wording of the draft recommendation was: “Expand existing low-interest revolving loan program to facilitate adoption of energy conservation improvements by all Kansans.”

Lee asked for an explanation of why banks haven’t wanted to participate? Brosius said it was her impression that perhaps the banks are concerned about the risk of making loans to lower income populations and the relatively small size (\$7,500 limit for bank’s share) doesn’t attract them. But more information is needed to really understand this problem, and Nebraska program may offer some insights since they have great participation from banks.

Lee said she wasn’t thrilled about opening this program to anybody; people who can already afford to make improvements will take advantage of it. Frahm suggesting perhaps broadening eligibility rather than eliminating all requirements and Lee said that was a possibility.

Gary Allsup, KHRC Executive Director, said that it has taken some time to develop this program, and although we aren’t exceedingly thrilled, the numbers are picking up.

Snead said the Nebraska program is for financing improved energy efficiency measures and is a good model that will serve Kansas well. Our current funding of \$2 million is a good start, but we need more.

Frahm asked what the loan eligibility requirements were for the Nebraska program, and Snead said he didn’t think there were any restrictions.

Volker said he’s spoken with Sunflower Bank, and they identified two major problems: (1) many citizens who need the program do not own their own homes and (2) although the program is oriented towards improvements, there’s no cost-benefit analysis.

Snead pointed out that Nebraska program has identified cost-effective programs that qualify for their loans and, thereby, taken care of cost-benefit analysis.

Brosius agreed that the Nebraska program was extremely streamlined, allowing applicants to simply take appropriate forms to the bank.

Sloan suggested adjusting the reciprocation amount based on income and asks whether the word was getting out about the loan. He also said it needed to be available to landlords.

Brosius said under the current proposal it would be.

Sloan said he couldn’t support making this available to someone with my standard of living.

Dean asked if we could put something in that refers to the Nebraska program as a model? Will this program coalesce if we don’t do a better job of defining it here? Brosius noted that the draft included a pretty strong reference to the Nebraska program.

Parkinson said he understood everyone's feelings about making low-interest loans available to the well-off. But consider the policy we're trying to achieve. We're trying to get energy efficiency into people's homes. A decent policy might be to target a certain segment of the income range, but make the program flexible. He moved to pass this recommendation on for further development and discussion during the public comment period. Svaty seconded.

Emler asked about the PAYS-type pilot program that Midwest Energy was developing and Volker said they were awaiting a decision from the KCC.

Frahm called for a vote, noting that it should be noted that the KEC would like preference given to those with lower incomes.

Motion passed with 17 in favor; 3 opposed.

With respect to the final draft recommendation, Brosius noted that the intent today wasn't to design the details of the new program but to get feedback on proposed effort to promote voluntary adoption of energy efficiency codes at the local level.

The exact wording of the draft recommendation was: "Develop program to promote voluntary adoption of residential energy efficiency codes by local units of government."

Bell said this proposal has a lot of merit. We (the builders) would reject anything mandatory. What we see is that most cities go for IECC 2006, due to financing requirements and popularity. This proposal could be a resource.

Volker moved to approve the recommendation; Menard seconded; motion passed unanimously.

Other business

Dean asked that the Council return to the previous GHG discussion and Frahm asked if anyone had a new resolution crafted or a way to tie this in?

Dean said KEC needed to define this issue. Brosius asked if Dean was asking for measurable goals and Dean said yes. Brosius said the KEC was engaged in trying to establish an energy efficiency benchmark with the statewide energy efficiency potential assessment, noting that measurable are hard to quantify.

Dean said it seems that within the larger picture if we really want to reduce energy consumption, we must set up benchmarks so that we know we're achieving something. I know the logistics are difficult, but it's being done. We can at least put together a really good conservation and energy efficiency program that provides savings numbers to the state. Nettelblad asked exactly what kind of program are you talking about? Dean said it's all just a bunch of rhetoric unless you actually provide measurements and goals. Schreiber agreed and said that's why we're doing the energy efficiency study.

Dean said she was not necessarily talking about goals, but about accountability; these programs must have numbers attached to them. Schreiber said he wanted a goal, and that is what the energy efficiency study is for.

Dean said she wanted the Council to go on record prescribing exactly what you said. Brosius noted that staff would be working with the Division of Purchasing to negotiate a contract for the study.

Tadikken asked if there was interest in further discussion on developing a nuclear energy policy recommendation? Brosius clarified that that topic could be one of the priorities for next year's planning cycle and Ken suggested that it be put on that list for future discussion. With respect to the presentation from NEI, Brosius reminded the Council that they had voted on a number of potential topics for general presentations and nuclear was one that received the most votes. Dean said she'd like to hear a presentation on nuclear from Amory Lovins, in the interest of hearing both sides. This is a body that prides itself on information gathering.

Riggins announced that KCPL is organizing a September 14th energy efficiency forum and more information would be sent out to KEC members.

Brosius announced that a new Executive Committee had been formed to deal with budget and other issues; the committee consists of the Co-Chairs, Volker, Holmes, and Svaty. She noted the meeting schedule for 2008 and hoped the February meeting wouldn't conflict with legislative schedule and reminded Council of dates of public forum and public hearing.

Meeting adjourned.