

**Kansas Energy Council Meeting – June 18, 2007
Summary of Outcomes and Decisions**

Council members in attendance

Ken Frahm	Steve Johnson	<i>Jesse Romo (for Sec. Miller)</i>
Mark Parkinson	Jeff Kennedy	Mark Schreiber
Richard Anderson	David Kerr	Tom Sloan
Lucas Bell	Gregory Krissek	Bruce Snead
Ron Hammerschmidt	Janis Lee	David Springe
David Dayvault	Stuart Lowry	Josh Svaty
Sarah Dean	Galen Menard	Mark Taddiken
Joe Dick	Gene Merry	Michael Volker
Stephen Dillard	Hans Nettelblad	Steve Weatherford
<i>Marty Dubois (for Bill Harrison)</i>	Adrian Polansky	Curt Wright
	Bill Riggins	

Agenda

- 9:00 Opening remarks, introduction of new members – Ken Frahm and Mark Parkinson, KEC Co-Chairs
- 9:15 Status of 2007 Energy Plan recommendations – Liz Brosius, KEC Director
- 9:30 Kansas Energy Office updates – Joe Harkins, KEO Director

Biomass and Biofuels

- 9:45 Biomass Committee status report – Ken Frahm; Corey Mohn, Commerce
- 10:00 Biodiesel and Bioethanol background reports – Corey Mohn, Commerce
- 10:15 Perennial polycultures for biofuels feedstock – Wes Jackson, Land Institute
- 11:00 Break
- 11:15 Biomass policy options for staff to develop for further KEC consideration
- 12:00 Lunch (*provided for KEC members, staff, and presenters*)

Energy Conservation and Efficiency

- 12:30 Energy Conservation and Efficiency Committee status report – Michael Volker, Liz Brosius
- 12:45 Status of KCC generic docket on energy efficiency – Don Low, KCC
- 1:00 AIA presentation on energy efficient buildings – Hans Nettleblad, BNIM Architects
- 1:45 Energy conservation and efficiency policy options for staff to develop for further KEC consideration (also discuss EE potential RFP)
- 2:30 Break

Greenhouse Gas Emissions

- 2:45 Goals Committee status report – Josh Svaty, Trisha Shrum
- 3:00 Greenhouse Gas Emissions background report – Trisha Shrum, KEC Research Fellow
- 3:20 Kansas and Climate registry – Ron Hammerschmidt, KDHE
- 3:30 Center for Climate Strategies proposal – Liz Brosius, Trisha Shrum
- 3:45 Greenhouse gas emissions policy options for staff to develop for further KEC consideration
- 4:30 Other business
- 5:00 Adjourn

Meeting Outcomes and Decisions

Biomass policy options approved for further staff development:

1. Encourage State agencies currently administering biofuel incentives (i.e., Department of Commerce, Department of Revenue) to coordinate an internal program review of existing biofuel incentives and report to Legislative Committees on both the effectiveness and potential problems, inefficiencies.
 - Motion by Kerr; Second by Krissek; Passed unopposed.
2. Assess the current State and Federal support for R&D for cellulosic ethanol and evaluate need for additional state support. [Contractor-prepared “catalog” of Kansas energy incentives will be circulated to members and posted on KEC web site.]
 - Motion by Lee; Second by Taddiken; Passed unopposed.
3. Evaluate options to encourage perennial polyculture and/or perennial monoculture on highly erodable farmland, including allowing land currently enrolled in the Conservation Resource Program (CRP) to be used for such purposes.
 - Motion by Sloan; Second by Kerr; Passed unopposed.

Energy conservation and efficiency policy options approved for further staff development:

1. Investigate potential incentives for home sellers to perform energy audits that would be provided to buyers.
 - Proposed as replacement for original Option #1 (“The passage of HB 2036 by the Kansas Legislature provides, among other things, for more timely disclosure of more user-friendly information about the energy efficiency of new homes. The KEC could recommend that the Legislature require similar disclosure for the sale of existing homes”).
 - Motion by Volker; Second by Johnson; Passed unopposed.
2. Although current law adopts IECC 2006 as the statewide energy efficiency standard for new commercial and industrial construction, there is no provision for enforcement. The KEC could recommend that the Legislature adopt an enforcement provision for these standards and/or an aggressive educational campaign.
 - Motion by Svaty; Second by Dean; Passed unopposed.
3. Design model energy efficiency standards for new residential construction as part of an aggressive educational campaign targeting new home construction.
 - Proposed as replacement for original Option #3 (“Adopt and enforce statewide energy efficiency standards for new residential construction and/or recommend an aggressive education campaign”).
 - Motion by Volker; Second by Lee; Passed unopposed.
4. Encourage further study of real-time or time-of-use pricing pilot programs.
 - Proposed in lieu of original Option #6 (“Require all jurisdictional utilities to implement real-time or time-of-use pricing pilot programs for all customers. The KEC Energy Conservation and Efficiency Committee is compiling information on the current status of such programs in the State’s utilities”).
 - Motion by Menard; Second by Springe; Passed unopposed.

5. This option, “Develop flexible spending / cafeteria plan, similar to existing plans for health and dependent care, for qualified energy conservation purchases,” died for lack of a motion to approve.
6. If the KCC requests, per the Staff Report and Recommendation in Docket No. 07-GIMX-247-GIV, then the KEC may develop additional recommendations on specific issues or topics.
 - Approved by general consensus, though no vote was taken.
7. Evaluate Executive Directive 07-373 for initiatives that should be put into law.
 - Approved by general consensus, though no vote was taken.

Greenhouse gas emissions policy options approved for further staff development

Note: All of the options listed below died for lack of a motion.

1. Based on the KEC staff review of GHG policy and economics, placing a tax on emissions is likely to be the least cost and most effective way to reduce GHGs. The KEC could encourage the Governor and the Kansas Legislature to work with other Governors and the State Congressional delegation to push for the enactment of a Federal economy-wide greenhouse gas tax. Initially, the tax can be set at a very low level. Using a federal rather than a state initiative (i.e., tax) serves to maintain Kansas’ relative competitiveness in the business community.
2. The second-best option is a well-designed cap-and-trade system with auctioned emissions permits. The KEC could encourage the Governor and the Kansas Legislature to work with other Governors and the State Congressional delegation to push for the enactment of a national hybrid cap-and-trade system.
3. On the state level, Kansas can use the concepts recommended in the KEC staff review to promote the wise use of electricity, the largest source of greenhouse gas emissions in Kansas. The KEC could encourage the implementation of a \$0.001/kWh “Greenhouse Gas Reduction Fee” on regulated electric utility bills of residential only or all classes of customers. (The KCC Staff has not reached a legal opinion of whether the KCC has the authority to establish such a fee without the authorization of the legislature. This fee would cost the average residential customer about \$10/year.) The funds would be used exclusively to expand existing successful weatherization programs (the Kansas Weatherization Assistance Program, etc.)

Center for Climate Strategies (CCS) proposal

1. Instead of contracting with CCS to implement a “climate action plan” as proposed in their May 7th proposal, KEC staff will request a second proposal from CCS for potential assistance on specific topics.
 - Motion by Svaty; Second by Dean; Passed unopposed.