

**Kansas Energy Council
September 30, 2008, Wichita, Public Hearing – Notes**

KEC members in attendance: Co-Chairs Ken Frahm and Lt. Governor Mark Parkinson, Rick Anderson, Dave Dayvault, Steve Dillard, Steve Johnson, Jeff Kennedy, Galen Menard, Bill Riggins, Curt Wright.

KEC staff in attendance: Liz Brosius, Ray Hammarlund, Jennifer Knorr

Comments presented by:

1. Terry Morris
2. Janette Judd
3. Bob Moore
4. Jim Snell
5. Tony Catanese
6. Shanna Henry
7. Wayne Penrod
8. James Juhnke
9. Kelly Wendeln
10. James Mendenhall
11. John Avett
12. Nicholas St. Jon
13. Tom Kneil
14. [Chrissy Mullender – arrived after hearing was adjourned]

Opening remarks

KEC Co-Chair Ken Frahm opened the hearing at 9:10 a.m. He thanked everyone for coming and outlined the KEC planning process, of which the public comment process is an integral part. KEC Co-Chair Lt. Governor Mark Parkinson also thanked people for taking the time to come listen and present comments. He said he thought it was good that the KEC had moved the public hearings out of Topeka. He acknowledged that Kansas and the nation face some economic challenges but that Kansas also has opportunities, particularly in the wind, electric transmission, and biofuels, especially cellulosic feedstocks.

Overview of KEC draft recommendations

Frahm read through the 15 draft recommendations approved by the Council at its August 13th meeting.

Determination of number of people to present comments

Frahm asked if there were additional audience members who wished to present testimony to the council to present comments. He asked speakers to limit their comments to 10 minutes and said he would give them a 2-minute warning.

Comments from public

1. Terry Morris thanked the KEC for coming to Wichita, noting that he was passionate about the speed limit issue, having lived through the national 55 mph law, which he called a

ridiculous curtailment of freedom. He said he didn't want to debate global warming, though he said most common sense business people don't think it is human caused. He said that August was the first month that the sun did not have any sun spots and suggested that human activity had much less effect than the sun. He said we needed to better understand what's causing the warming before you take away freedoms. We should base the speed limit on facts, not emotion. He encouraged KEC members to look at materials by a group called Citizens for Rational Traffic Laws. He said the study from Iowa cited in the current KEC draft is based on raw numbers and not good statistics. Regarding safety issues, he said fatalities are related to poor driver training, not the speed limit (and referenced speeds and fatalities on the Autobahn in Germany). To enhance safety, he suggested we all need to buy newer cars, get people out of SUVs. Lower speed limits reduces the incentives to upgrade vehicle fleets (i.e., adopt more fuel efficient cars). Morris said drivers should base decisions on the prevailing traffic, not on whether a trooper is waiting over the hill. He encouraged the state to require that we train drivers better. He said our law enforcement should be focusing on real crimes (noted high number of robberies in Wichita), not on speeding. With respect to the proposed coal-fired plants in Holcomb, he said he was disappointed the state didn't want \$4 billion in economic development and felt the decision to deny the permit was political. [Staff note: Mr. Morris did not submit a written version of his comments.]

2. Janette Judd, Wichita pediatric nurse, said she came to the hearing because was concerned about the speed limit proposal; she hadn't realized the KEC had other recommendations, but noted that she was generally supportive of wind (and her husband supported nuclear). She outlined her reasons for opposing the proposal to reduce the speed limit, and said she assumed the goal of the policy was to reduce energy consumption. First, she said that people already had slowed down, citing U.S. DOE statistics on reduction in vehicle miles traveled in recent months. She noted that fuel efficiency standards (CAFE) had been increased: 35 mpg by 2020, starting in 2011. She also said that overall fatalities were decreasing. However, she noted that motorcycle fatalities were increasing and encouraged the State to adopt a helmet law for everyone over 18 along with better driver training. She advocated a graduated drivers license.
3. Bob Moore, retired truck driver, also provided comments on the speed limit proposal. He read from a U.S. News and World report article, "Sweatshop on Wheels," which discussed the increasing problems for small, medium-sized entities in the industry—many drivers going out of business. He said reducing speed limits will just make things worse, increasing time on the road (increasing likelihood of drivers falling asleep at the wheel), putting pressure on the already too-few truck stops. He also noted that diesel engines are all electronic and set up to run at a certain RPM to maximize fuel efficiency. He said 65 mph is not the optimal speed. [Staff note: Mr. Moore did not submit a written version of his comments.]
4. Jim Snell said he mostly had come with questions. He said he disagreed with those who think global warming is a lot of bull and referenced smog in L.A. as well as a recent visit to NCAR in Boulder. Nonetheless, he didn't see the speed limit proposal as a good way to reduce GHG emissions. He wondered how much revenue the state receives from speeding

finer and noted that some people will see it as a conspiracy to increase revenue and to sell more speed limit signs. Snell also said he thought the proposal would increase driver fatigue due to longer time spent in vehicles. He said that buildings are as much a problem as vehicles. He said he thought the State should look at incentives to get older, inefficient vehicles off the road. He also said safety was up due to antilock breaks and other measures. He advocated implementation of net metering policy, saying that individuals don't have the ability to sell power back to the utility.

Frahm asked if there were questions or comments from the KEC members. Liz Brosius said that although Kansas did not have a net metering policy, state law did require electric utilities to buy excess power from individual generators and to pay them 150% of the utilities' "avoided cost," which was essentially equal to their fuel costs.

5. Tony Catanese, Wichita businessman, said he was also against the proposal to lower the speed limit. He said he wasn't sure about global warming, but doubts that humans are causing it. As for reducing the speed limit, he said he was surprised that we didn't seem to have learned from the past. He said the small amount of fuel savings is not a good trade off for diminished productivity as well as cutting into people's leisure time. He said he believed that reducing the speed limit would cause drivers to look for ways to avoid Kansas.
6. Shannon Henry said she felt so strongly about the issues that she was making these comments, even though she is not comfortable getting up and speaking. She said the U.S. has needed a comprehensive energy policy for a long time; believes that man-made global warming was occurring. She said she had gotten involved in solar energy in the 1980s and praised the former subsidies and tax incentives. She said incentives should not be given to corporations, but to the end users of energy. She likes the state's recent actions regarding wind energy but wants more incentives for small-scale wind energy, including net metering (If the state wants us to invest our hard-earned money in renewable energy at home, the state needs to provide us with incentives.) She advocated distributed generation, said it would help meet peak demand. She praised farmers, saying they are some of the most resourceful people she knew. She was concerned about the oil industry, and noted that her rural property is surrounded by oil wells, including pump jacks close to her property line; but she gets no royalty benefits. She said people in the middle of a potential wind farm or oil development should get a payment even if they do not have a well or turbine. Regarding vehicles, she supported increased fuel efficiency standards (CAFE). She also supported the proposal to reduce the speed limit from 70 mph to 65 mph.
7. Wayne Penrod, Sunflower Electric Power Corporation, noted that he was making comments similar to the ones he had presented at the Hays public hearing. He said that Sunflower supported the KEC recommendations 1-6 and 13-15, at least in principle. He discussed Sunflower's concerns as a generator of electricity, serving central and western Kansas. He said Sunflower was a good environmental steward and suggested that KDHE would vouch for their good practices. He said generation choices (and costs to end users) will be determined by the resolution of the CO2 issue by the federal government—all options except nuclear will emit CO2. That is just a fact. Sunflower's current cost to

produce a kWh is 3.4 cents; he said it's low due to the reliance on coal. He said they will need additional capacity by 2010, that demand is increasing due to ethanol industry in service territory and customer's choices (such as switching to HD TV). To meet this demand, they will likely build a natural gas-fired facility and rent oil-burning diesel generators. We can build another 125 MW of wind but wind won't provide us with capacity. It will be expensive to build all of this. He said Sunflower recommended KEC think about the costs associated with carbon capture and storage; he expects it will be extremely expensive; suggests policy makers think about how to build another nuclear plant.

Galen Menard asked about Sunflower's wind power purchase agreements (PPA). Penrod said you can't talk about the cost of wind without considering the cost of the firm generation that will follow the wind—in this case, natural gas. We have a 20 year purchase power agreement with both wind farms in our territory. Penrod said you can't separate the cost of wind and natural gas generation; they look at a blended cost. Rick Anderson asked if Sunflower could come up with a comparison of the cost of wind vs. cost of coal, including O&M? Penrod said they might be able to do that. [Staff note: the KCC staff analysis of wind energy in Kansas addresses this question: <http://www.kec.kansas.gov/reports.htm>, click on "wind study."] Penrod said that you can't compare wind vs. coal. You can compare wind and gas vs. coal. O&M is included in fixed costs. We know fixed and variable cost.

8. James Juhnke, retired college professor, said he supported the speed limit recommendation and that he thinks public support has been underestimated. In fact, he recommended that the speed limit be reduced to 60 mph; automated speed enforcement be adopted (referred to program in Scottsdale, Arizona); and that new technologies that limit vehicle speed be considered. He said government regulates many things related to public safety and there was no good reason not to regulate vehicle speed as well.

Frahm asked if there were others in the audience who wished to make comments, and several people raised their hands. Frahm suggested that these additional comments be limited to 2 minutes.

9. Kelly Wendeln, Chanute, spoke against the speed limit proposal (and global warming). He said he was the man who did more than anyone to fight the 55 mph law and asked if anyone had any questions for him? [Staff note: Mr. Wendeln did not submit a written version of his comments.]
10. James Mendenhall said he had an exciting proposal that could help Wichita and the state of Kansas. He recommended that an energy research park be established north of WSU that would provide a locus for research, public education, and energy resource testing. He noted that entities like the Kansas Geological Survey's Well Sample Library in Wichita, KU Research Council, and KIOGA (Kansas Independent Oil and Gas Association) could cooperate with other entities around the state to conduct research and engage in educational efforts. He said that kids need help understanding where job markets are located. If we can put a pharmacy school back in Wichita, we can do it with oil & gas. He said there was

money to be tapped in the oil and gas industry—perhaps they would donate money to pay for this. He said it would require leadership to make this happen.

11. John Avett said he was interested in renewable and clean energy resources, supported net metering. He said the federal government should be dealing with the carbon issue, but that it will also take initiatives at the state level. He said he would follow up with written comments and that he was glad the KEC was paying attention and starting to deal with the problem. [Staff note: Mr. Avett did not submit a written version of his comments.]
12. Nicholas St. Jon mentioned a coal gasification project in Virginia, Bixby Energy, which would produce electricity with zero carbon emissions. He said he believed they had met with the Lt. Governor and asked him what his thoughts were on that project?

Parkinson said that they get a lot of proposals and that if the company can develop the project in Virginia, then he'd bet they will have a market for their electricity. He said the State can't make a utility company invest in a project or buy their power, but if someone comes up with the technology, then the utility interest will be there.

13. St. Jon continued his comments, and said that he didn't think the government should force citizens to drive more slowly; he said he was definitely opposed to the proposal to reduce the speed limit to 65 mph. [Staff note: Mr. St. Jon did not submit a written version of his comments.]
14. Tom Kneil, retired physician, began his comments by thanking Parkinson for his letter in the Wichita Eagle replying to Earl Watkins. Kneil said he supported all of the KEC recommendations and would add another recommendation to encourage all government agencies to purchase and use fuel-efficient vehicles. I drive a car with over 100,000 miles and 5 years of driving and average 42 mpg (Honda Civic Hybrid). I pay close attention to my gas. When I drive closer to 60 I definitely see a difference. He noted that he had observed people from KDHE driving to Wichita in a Suburban with only 1 or 2 occupants. My recommendation would be for state agencies to purchase and use fuel efficient vehicles. He also recommended the encouragement of solar thermal and wondered if the intermittency of wind could be addressed by having lots of distributed generation (that is, the wind would be blowing somewhere all the time). He said he thought the electric grid needed to be improved.

Frahm pointed out that the State provides a \$750 tax credit for flex-fuel vehicles, if you can verify the mileage.

Kneil thanked the KEC members for attending the hearing, noted that they all had important jobs and were interested in energy policy. He said he hoped that Council members could keep a lid on their vested interests in order to develop and support the right policies. He said we don't have to reinvent the wheel. He said he was a scientist and he read a lot and many scientists have provided information saying we have a problem, which may not affect us but will affect our children and grandchildren.

Closing remarks

Frahm thanked everyone for coming and reminded those who hadn't already to submit written copies of their comments to Brosius, prior to the close of the public comment period on October 10, 2008.

The hearing was adjourned at 11:20 a.m.

Following adjournment, Ms. Chrissy Mullender arrived to present comments; her written comments are included below:

My name is Chrissy Mullender and I live in Luray, KS. Luray is about 20 miles north of Interstate 70 between Salina and Hays. I work in IT at Hawker Beechcraft here in Wichita. My husband, Clayton, farms around Luray, and so cannot move closer to Wichita. My company does not have a telecommuting policy, but they have allowed me to work 4 10-hour days, so every Monday morning, I drive 165 miles to work, stay here in the Wichita area for three nights so I can work my 4 10's and after work on Thursday I drive 165 miles back home.

I can make it to work, if my vehicle is gassed up the night before and there are no other stops along the way, in 2 hours and 15 minutes. The effect of decreasing the interstate speed limit from 70 to 65 would increase my drive time on Monday mornings and Thursday evenings about 30 minutes. My commute on those days would now be closer to 3 hours, with a 10-hour work day on top of that.

Instead of impacting my drive time and family time like this in order to cut down on gas usage across the state, I submit to you that it would be more effective to encourage businesses, for instance, with tax incentives, to come up with a telecommuting policy for their workers that are able to do their jobs in a home office setting. In normal circumstances, if an employer would allow their workers to work 1 day a week at home, that would be an automatic 20% savings in gas for those workers. If my employer, for instance, would allow me to work a week a month at home, I would save over 20 gallons of fuel, 25% of what I use during the month just for my commute. This amount of gas savings is not trivial, and actually would be more of a savings than dropping the speed limit by 5 miles per hour.

Thank you.

Chrissy Mullender
P.O. Box 93
Luray, KS 67649