

March 5, 2008

The Honorable Don Myers, Chairperson
House Select Committee on Energy and Environment for the Future
Statehouse, Room 448-N
Topeka, Kansas 66612

Dear Representative Myers:

SUBJECT: Fiscal Note for HB 2949 by House Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2949 is respectfully submitted to your committee.

HB 2949 would enact the Kansas Energy Plan Act. The bill includes definitions of energy-related terms and would direct the Legislature to adopt the following policies as the foundation of the plan:

1. Continued development of alternative and renewable energy;
2. Implementation of policies that will increase the state's electric transmission infrastructure;
3. The repeal of laws and policies that restrict domestic energy supplies;
4. Support for the Southwest Power Pool and the Kansas Electric Transmission Authority in efforts to acquire adequate transmission for electric generation needs of the state;
5. Recognition that the current electric generation capacity will need to be replaced within the next 20 years; and
6. Promotion of market-driven solutions to electric generation needs of the state.

The Kansas Corporation Commission, beginning in 2009, would submit an annual report to the House and Senate Utility Committees making recommendations for legislative changes needed to facilitate the state's energy plan, encourage the development of clean burning coal technology, and gauge the progress of nuclear power generation in the country and the state. The bill also lists current base-load generation capacity and projected capacity needs by the year 2028, and sets forth priorities for the future fuel mix for base-load generation. The fuel mix by

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the year 2020 would be 70.0 percent coal, 25.0 percent nuclear, and 5.0 percent natural gas. For the year 2025, the fuel mix would be 65.0 percent coal, 30.0 percent nuclear, and 5.0 percent natural gas. For the year 2028, the fuel mix would be 60.0 percent coal, 40.0 percent nuclear, and a negligible amount from natural gas.

The Kansas Corporation Commission indicates that passage of the bill would have no fiscal effect on the agency because responsibilities outlined in the bill would be performed by existing staff within current resources.

Sincerely,

A handwritten signature in black ink that reads "Duane A. Goossen". The signature is written in a cursive style with a large initial "D".

Duane A. Goossen
Director of the Budget

cc: Tom Day, KCC