

INTERIM JOINT COMMITTEE ON NATURAL RESOURCES AND ENERGY

Minutes of the 2nd Meeting of the 2019 Interim

July 9, 2019

Call to Order and Roll Call

The 2nd meeting of the Interim Joint Committee on Natural Resources and Energy was held on Tuesday, July 9, 2019, at 3:00 PM, in Room 154 of the Capitol Annex. Senator Brandon Smith, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Brandon Smith, Co-Chair; Representative Jim Gooch Jr., Co-Chair; Senators Jared Carpenter, Matt Castlen, C.B. Embry Jr., Robby Mills, Reginald Thomas, Johnny Ray Turner, Robin L. Webb, Whitney Westerfield, and Phillip Wheeler; Representatives John Blanton, Charles Booker, Randy Bridges, Myron Dossett, Jim DuPlessis, Daniel Elliott, Chris Fugate, Angie Hatton, Cluster Howard, Dennis Keene, Derek Lewis, Melinda Gibbons Prunty, Josie Raymond, Cherlynn Stevenson, and Rob Wiederstein.

Guests: Douglas Beard, Director, Division of Family Support; Jessica Hinkle, Branch Manager, Division of Family Support; Roger McCann, Executive Director, Community Action Kentucky; John Burke, Principal, Inez Power; DB Kazee, Principal and Counsel, Inez Power; and Lee Bazzle, Project Director, Inez Power.

LRC Staff: Stefan Kasacavage, Janine Coy-Geeslin, Tanya Monsanto, Silas Montgomery, and Rachel Hartley.

Presentation and Public Hearing on the Low Income Home Energy Assistance Program (LIHEAP) Block Grant Application – Federal Fiscal Year 2020

Douglas Beard provided an overview of the Department for Community Based Services (DCBS), which is the largest organizational unit within the Cabinet for Health and Family Services (CHFS) with a budget of over \$1 billion. The Low Income Home Energy Assistance Program (LIHEAP) is funded by a federal block grant received by DCBS on behalf of Kentucky. LIHEAP provides assistance to low-income households that pay a high proportion of income for home energy. DCBS anticipates Kentucky's award will be \$57.8 million for 2020. Less than 10 percent is used for administrative costs.

DCBS maintains a contractual arrangement with Community Action Kentucky, Inc. (CAK) and the Kentucky Housing Corporation (KHC) to provide support, training, and

monitoring. CAK and KHC have an arrangement with Kentucky's Community Action Network that makes LIHEAP benefits available in all counties.

There are 23 community action agencies that together cover all Kentucky counties. Each agency allows local control, so specific needs can be met. CAK utilizes a continuous process for quality improvement, including review of policy and procedure, committee structure, data collection analysis, use of technology, and training and technical assistance.

In response to a question from Representative Gibbons Prunty, Mr. Beard stated lessees can benefit from LIHEAP.

In response to a question from Representative Blanton, Mr. Beard stated in order to avoid a reconnection fee, applicants should apply for LIHEAP before their electricity is disconnected.

The LIHEAP block grant findings of fact were approved by unanimous voice vote.

Inez Power

Lee Bazzle stated Inez Power is an innovative energy from waste system utilizing a gasification process that was developed in Inez, Kentucky. The objective is to avoid landfill use by converting municipal solid waste into energy. Since 2000, coal production and options for long-term waste disposal are on a rapid decline.

In 1990, there were over 6,000 landfills and 144 waste-to-energy incinerators. In 2015, the number of landfills had decreased to 1,738, and the number of waste-to-energy incinerators decreased to 75. Transportation costs for waste have increased due to larger landfills and regional landfill locations.

In 2018, China imposed strict recycling import guidelines, and as a result the recycled exports from the United States have decreased. Many communities have ceased recycling programs until other outlets are identified.

Inez Power employs a patented gasification process to convert municipal solid waste to usable synthesis gas that can be turned into valuable commercial products. The gasification process generates more energy with less emissions than current incineration solutions. The process creates zero waste and 100 percent of the by-products have a beneficial reuse.

In response to a question from Senator Webb, Mr. Kazee stated the gasification process has no harmful environmental impact.

In response to a question from Representative Booker, Mr. Bazzle stated building a gasification facility near a landfill would decrease transportation costs.

In response to a question from Senator Thomas, Mr. Burke stated a new gasification facility would cost approximately \$80 million.

In response to a question from Representative DuPlessis, Mr. Bazzle stated the gasification process is self-sustaining; however, it does use natural gas or diesel to begin the process.

There being no further business, the meeting was adjourned.