Rex Buchanan: Good afternoon, I'm Rex Buchanan, former director of the Kansas Geological Survey (Survey). Today is August 22, 2024. We're here to interview former Kansas representative, Carl Holmes. Our videographer is former representative Dave Heinemann. We want to thank the Holmes' in particular for hosting this interview in their home here in Liberal.

Carl is a native Kansan who has lived and farmed in southwestern Kansas for most of his life. He represented the 125th District in the Kansas House of Representatives from 1985 to 2013. Holds a bachelor's degree in Business from Colorado State University. During his time in the Legislature Carl chaired committees that dealt with natural resources and energy issues. He developed expertise in those subjects through his involvement in the National Council of State Legislators and other national organizations. Carl's career in public service began long before his service in the Legislature. In 1977, Carl was elected to the City Council of Plains, Kansas. He was appointed mayor of Plains in 1982 and served the city in that capacity until 1989, when he moved to Liberal. Carl was also on the board of the Groundwater Management District (GMD3) in southwestern Kansas.

This interview is part of the Kansas Oral History Project's series examining the development of public policy at the nexus of energy and the environment during the late 20th and early 21st centuries. In these interviews we explore those policies through the eyes of experts, executives, administrators, legislators, environmentalists, and others. The Kansas Oral History Project is a non-profit corporation that collects and preserves oral histories of Kansans. The project is supported by donations from generous individuals and grants from Evergy and ITC Great Plains.

RB: Good afternoon, Carl, and thanks for contributing to this and thanks for allowing us into your home. I appreciate it.

Carl Holmes: Well, thank you. Appreciate you being here.

RB: It's good to see you.

CH: Thanks for being here.

RB: We have visited with you before when we talked about water issues in particular. Did you start off on energy committees right from the beginning of your legislative career, or did that develop over time? How did that work?

CH: I was appointed to the Energy and Natural Resources Committee in 1985, my first year.

RB: Why were you appointed to that committee?

CH: Well, I had developed a relationship with the Speaker of the House, Mike Hayden, and I had expressed to him my desire to be on that committee. So, when the appointments came out, I was put on the committee.

RB: And Mike, obviously not from southwestern Kansas, but northwestern Kansas, and certainly somebody with a pretty significant understanding of western Kansas issues. When did you begin chairing those committees?

CH: My second term would be 1987. The committee was handling so much subject matter we had two subcommittees. I chaired the [sub]committee on energy and another person chaired [the subcommittee] on natural resources. I had four years that I was chairman of the energy subcommittee of the committee. And then, the Democrats took control of the House, and I was appointed ranking minority leader of the committee for two years with Ken Grotewiel [as the committee chair]. Then after that, Republicans took back control and I was chair of the Energy and Natural Resources Committee.

RB: And did you chair that committee up until the end of your time in the Legislature?

CH: No, I had a two-year hiatus. After four years, they yanked me off the committee and put me on a committee that I didn't want to be on. They put me on Appropriations [Committee], chair of a subcommittee of Appropriations and chair of Fiscal Oversight Committee. And I was more interested in policy than I was budget matters.

RB: Why did you get pulled off as chair of that committee, or is that something you want to talk about?

CH: Well, the Speaker, a couple things. I had a couple committee members that thought I was being too fair to the Democrats. And we had the Tea Party Movement, and I wasn't far enough to the Right. That's why I was pulled off of it by the Speaker. And then two years later, we had a new Speaker, and he gave me a choice whether to stay on the committees I was on or go back. I said, I want to go back. I'm interested in policy; I'm not interested in budget.

RB: But there are obviously a lot of committees in the Legislature that deal with policy. Why were you fixated on – and fixated may not be quite a fair word, but you know what I mean. Why were you so interested in being on energy and environment and utilities?

CH: Because that was where my knowledge was. Back when I was growing up, dad was always interested in oil and gas operations. On Sunday afternoons, we'd go out and watch them drill like the Wheatly well, which was the first well of the Kismet Field. And I saw them drill the Novinger pool. And so, every evening during the week we'd go out there and watch them drill. I became very familiar with the geologist and I saw that field from the time it was developed until it was finally plugged because it went dry. That was my interest there. Now water, I had been involved in irrigation farming in GMD3. Before I came to Legislature, Dave Pope was chief engineer [in the Kansas Department of Agriculture], and I went up to him about a problem we had with water out east of Liberal with saltwater intrusion into fresh water. And through three different meetings with Dave lasting two hours each, we talked very detailed water policy. And so, my knowledge came basically from seeing what's going on in the field and talking with experts that were smarter than I was.

RB: Did your family have oil and gas on their property at that time?

CH: They had a little bit, not that much.

RB: But not a major interest.

CH: No.

RB: We just finished talking with Steve Morris and talked a little bit about that evolution of oil and gas industry out in this [southwestern] part of the state. You had been around during that time then, in the 1950s and 1960s when really things out here are kind of peaking and going great guns.

CH: Right, when they developed the Novinger pool, we were out there every night. I saw everything happen out there, drill stem test. They had a drill stem test about the fourth well they drilled. The drill stem test came out 4,000 barrels of oil a day, . . .

RB: Holy cow.

CH: . . . and 15 million cubic feet of gas. We flared all the gas off that field. And then, I was out when they developed another field, and that was formed in another formation. Another one they built the Morrow [formation]. And with that one they used core samples. And core sample was unique in that the formation was declining at a 45-degree angle across it, which meant if they drilled that well 15 or 20 feet this way or that way, they'd have a dry hole.

RB: Yeah, I think the Morrow is mostly a sandstone and tends to be a little . . .

CH: It's tighter.

RB: . . . less predictable than some other units.

CH: Right. The Marmaton [formation] was a very coarse formation.

RB: You made us a list of some of the issues that you dealt with,

CH: [*Laughter*]

RB: and I want to start with a few of them. In particular, I'm not going to do this in chronological order. I'd kind of like to do it in what I would perceive to be order of magnitude or importance, particularly out in this part of the world, in southwestern Kansas because the southwestern Kansas perspective doesn't always get represented real effectively back in eastern Kansas, where decisions get made. And obviously that was part of what you felt was your role. Let's start with one that we were just talking about before we sat down, which was the Holcomb Power Plant. Now that comes along a little bit later in your career, but you've been around a while by now and you've got a sense. Give me your take on Holcomb.

CH: Well, of course, when this started out, they wanted to build two more coal-fired plants. And going through the procedure of rules and regs with it, and with the agency we had a road block. And the roadblock was [Secretary Rod] Bremby with . . .

RB: Secretary of Health and Environment.

CH: Yeah. And he'd had, I feel, orders not to let Holcomb happen. So, we fought [over] Holcomb for a couple years. And fighting the Holcomb battle, I don't remember what year it was, I believe it was about 2009 when we passed a big bill. But the beginning of the session, first day of the session Mark Parkinson called me into his office, he was the Lieutenant Governor, and said, I've got to have a couple of renewal energy type programs. And I listened to him for about 20 minutes and he was lecturing me about what was going to happen in session. I didn't say anything. And he said, well what do you think, and I said, well I got to have Holcomb. And he said, no way. Well, that ended the conversation. I told the Lieutenant Governor that I controlled the committee, and I controlled what came up before the committee. And if I didn't want an issue, it wasn't brought up. As a result, it kind of came together and started formulating some ideas of how we could get it through.

RB: So just to back up a little bit. Your district doesn't extend up there though.

CH: No.

RB: OK, how much, beyond Seward County, what was your district?

CH: I had Seward county and two townships in the western part of Meade County.

RB: And Meade County. So, in effect, Liberal and Seward County is kind of the dominant part in your district. Why are you so interested in Holcomb and why did you feel the way you did about it?

CH: I was interested in all energy. I felt like that we should make it all energy available. And it goes back to 9/11. I became concerned about all energy -- period. As a result, I felt like that we ought to have all energy available. Let the marketplace decide what was appropriate.

RB: One of the concerns there was a lot of that electricity was going to go to Colorado, not to Kansas. That argument didn't sway you in any way?

CH: Well, it wasn't necessarily going to Colorado, it was going to Texas Panhandle. I happened to be on a plane flight once from Dallas to Amarillo and just happened to sit next to the President of Tri-State out of Amarillo, Texas and we talked about the Holcomb plant. You've got a problem going west to Colorado in that they're in a different grid and you've got to go through AC-DC-AC

bank in order to get the energy into Colorado. But Tri-State [Generation and Transmission Association], was really interested in the possibility of taking energy from the Holcomb plant.

RB: So initially, and the governor at the time is Kathleen Sebelius, the plant basically doesn't receive the permits that it was required by the Clean Air Act. Eventually Mark Parkinson becomes Governor, and the permits are approved.

CH: Yeah. For one plant, not two.

RB: For an additional unit.

CH: Yeah, but they expanded its [planned] capacity from 700 megawatts up to 875.

RB: But then, it's never built.

CH: No. and I think that is the reason is economics.

RB: Primarily economics of coal versus natural gas at that point.

CH: And in the compromise bill we had, we had a requirement that 5% of the coal had to come from Kansas, and Kansas coal industry was shutting down at that point in time.

RB: Absolutely. Did this feel a little bit like the rest of the world was telling southwestern Kansas what to do?

CH: There's always been a fight between east and west in Kansas. And in this case, we had one coal-fired plant and eastern Kansas had about eight coal power plants. Eastern Kansas and Missouri and they were denying us another coal-fired plant. But at the same time, they built a new coal fire plant right across the line in Missouri that supplied Kansas customers.

RB: So, I assume that some of that entered into this conversation. I mean, locally folks were in favor of it, weren't they?

CH: Yes.

RB: Some of the reaction then, sort of resentment that eastern Kansas thinks it knows what's best for western Kansas.

CH: That's been that way on a lot of subjects, not just coal-fired plants.

RB: Right. No question, we can talk about a lot of things that come. . . But it felt to me like it particularly came into play when you were talking about this one here.

CH: And one of the animosities between eastern Kansas and western Kansas back in severance tax days. I know the tail end of 1981 session I spent the last two weeks in Topeka. And 1982 session I spent most of the time in Topeka fighting the severance tax because the severance tax was being pushed by Wendell Lady, who was Speaker of the House. And most of the severance tax was going to be coming out of the Hugoton natural gas field.

RB: And that was under the Carlin administration.

CH: That's correct.

RB: So why were you up there? Just as a royalty owner?

CH: No, I don't have any royalty on natural gas. Hugoton field doesn't extend into this area.

RB: That far east. What was your concern?

CH: I was chairman of the Greater Southwest Regional Planning Commission, which was 19 counties and 65 cities in southwest Kansas and of course being made up of that was all county commissioners from all those counties. And it was a very important issue for the county commissioners. So as a result, they kind of formed a committee to go to Topeka and fight the severance tax, and I was included with that. I had an "in" in that a few years before that I had given testimony before the U.S. Senate on natural gas with Ross Doyen who was the president of the [Kansas] Senate. And so, Ross Doyen who I knew real well and Charlie Angell from Plains was our [state] senator and I knew him real well, and so it all came together. And so, I spent, like I said, almost the entire session in Topeka opposed to this severance tax.

RB: I never really thought about this before and this isn't the primary point of why we're here, but in some respects, having you in the committee chair position you were in and Steve Morris as president of the Senate, some people might think southwestern Kansas has sort of outsized influence in the Legislature. But given the economic importance of southwestern Kansas, you could probably also make the argument that it wasn't outsized, it was appropriate, which is probably what you would say, I would guess.

CH: Right.

RB: Looking back today, without that additional unit of Holcomb being built, what do you think today? Was it a mistake not to build it?

CH: At the time it was a mistake not to build it. Today renewable energy has to have an extra available energy source because it's not available 24 hours a day. I mean, the sun doesn't shine 24 hours a day, the wind doesn't blow 24 hours a day. So, you've got to have back-up. The back-up is natural gas, primarily, and to a certain degree nuclear power plants, and the coal-fired plants that are still operating in Kansas.

RB: But in effect, because natural gas became so cheap, in retrospect it looks like the right decision not to build it, even if it wasn't made for that reason.

CH: Looking back, it probably was with the way things are going.

RB: With the way it eventually played out.

CH: But for southwest Kansas and western Kansas it was important at that time that we have an additional coal-fired plant for additional energy out here. The thing that happened that changed that, one of the things was Kansas Electric Transmission Authority and we'll get into that a little later.

RB: We'll get into that in a second. Another thing that was right at the top of your list of things to talk about that surprised me a little bit was Yaggy [storage field] and natural gas and storage regulation. And Yaggy, I assume most people are familiar with storage in the salt caverns in the Hutchinson area, some of it because gas got loose and came up under [Hutchinson]. This was January 2001. Some explosions, two people are killed, a big deal. What's your role in Yaggy?

CH: Well, of course I became interested in it because we had some deaths in Hutchinson.

RB: Yeah, two people.

CH: Gas coming up in wells in Hutchinson blowing things up. But when we had the [legislative committee] hearing, I felt that my background in oil and gas was enough. When I ran the committee, except for this issue, I made the committee members ask the questions first because I saw too many times the chairman asked questions and the committee members never got involved.

RB: Got a chance.

CH: I switched that [practice in the hearing] because I felt like I need to dig into the thing real deep to find out what the real situation was. We had two days of hearings and during the second day I asked Kansas Corporation Commission (KCC) in there and Kansas Department of Health and Environment (KDHE) in there. And I asked, who's responsible for Yaggy? They pointed fingers at each other. Well, the reason was, that [the Yaggy field] was originally a natural gas liquid storage field, propane, butane, and so forth. So KDHE had control of that. But a few years before [the explosion] happened, they shut down Yaggy and they plugged the wells, put cement in. Then they decided to store natural gas in it. Well, propane's, what, 150 pounds a square inch and natural gas is 600 pounds.

RB: 680, 700 pounds

CH: So, a few years before that, back before I came to Legislature, the Legislature decided that KDHE would regulate propane storage fields and the KCC would regulate natural gas fields. Well, when it converted to natural gas, each of them thought the other was monitoring it, and nobody was monitoring it. And of course, what happened in the Yaggy field was that through my questioning and everything [we learned that] when they drilled out the concrete they damaged the casing. And when they damaged the casing, then put the 600 pounds of pressure behind it, [the gas] went through the casing, followed the water table, and went into Hutchison. And this all came out in two days of hearings and after the second day of hearings was over, I told my secretary, I said, I want a transcribed copy of the last two days. And so, everything was transcribed and put in the minutes, word for word with the questioning and answering for the whole two days. And my understanding is that [transcript] was used in lawsuits that followed up as part of the evidence in the lawsuits.

RB: And the Survey got real involved with that because of all the issues, and KDHE was clearly the regulatory responsive agency on the ground during the episode itself. There's been a long sort of history of contention about who's responsible for what when it comes to underground regulation in the state. It's always been a little contentious.

CH: Following up on this, we put laws in place to regulate underground storage and gave responsibility for compressed natural gas to the KCC made very plain . . . I was fortunate Stan

Clark was my counterpart in the Senate and we worked together in the legislation for it. Then both of us were on the [Joint Committee on Administrative Rules and Regulations]. Then when the legislation passed and we came to rules and regs, then [the committee] changed some things to get them where we wanted them. Following that up, Colorado Interstate [Gas Company] had a storage field in Morton County. They didn't like the idea that Kansas was trying to regulate underground storage. So, they took it to federal court, and the federal court blocked it because it's interstate gas, it crosses state lines. So, it was blocked as a result of that lawsuit. Then a few years later, the U.S. Congress decided, you know, that was a mistake, and they gave us back authority to regulate compressed natural gas fields in Kansas. And I'll give you another example. We had a gas storage field south of Meade, which was right east of here.

RB: Right.

CH: And they drilled a well about a mile and a half from a storage field, and they fracked it enough that they got in that natural storage field gas. As a result, the storage field owners had to buy that well to get it shut down because they were stealing gas and reselling it.

RB: Yeah, I remember that. I brought that, Steve Morris and I had a conversation about that at the time. In effect, they were, I'm not sure stealing, they were taking gas that didn't belong to them . . .

CH: Right.

RB: . . . because it got loose. One of the things in those rules and regs back at Yaggy that resulted was, and I remember there was double-wall casings on those pipes, because that was one of the problems at [Hutchinson] was as soon as you breach, there's only one wall casing. That leaves me to a question about you and we may have talked about this a little bit before, but I don't think we did. And we can come back to the issues, but I want to talk, a tangent here about how you operated. I don't know very many legislators that got down into the weeds on rules and regs the way you did. I mean, you read them, you marked them up, I mean, I never saw anybody do that. What's the deal there?

CH: You know, I felt like, I had rented the farm out, so I didn't have a job other than the Legislature because I had the farm rented out, so it gave me more time to dig into stuff. And

what we would do is driving to Topeka – it's a six-hour drive – so my wife would drive to Topeka and I would spend that time, the six hours, going through the rules and regs and when I found something that I didn't agree with I put a sticky note on it. And it got to the point where people would come into the committee, they'd try to see how many sticky notes Holmes had on the rules and regs. On the Rules and Regs Committee starting in 1991, there were three of us would do our homework. Stan Clark, [Representative] Jan Pauls, and myself. We asked 95% of the questions in Rules and Regs. It got to the point where we were called the "nit pickers" because we were the ones that nit-picked down into the wordage on the rules and regs.

RB: Well, that's pretty unusual. Most of that is technical, I hesitate to use the word arcane, but I think it's a pretty good word for it. And usually, it's the technical folks at the agencies that do that and they kind of put it in front of the legislature with the assumption that . . .

CH: Rubberstamped.

RB: Exactly, because they don't expect anybody. . . Have you always been a detail-oriented person? I mean, what kind of person does something like that?

CH: Well, I tried to educate myself. And I got a lot of education after 2001. We might go into that a little later, but I felt like that if I was going to be involved with something I needed to educate myself so as to do the best job I could while I was in the Legislature.

RB: And you were willing to wade through some pretty technical language in some subjects that most people would not regard as scintillating reading.

CH: Right.

RB: But you were willing to do that work.

CH: Yeah.

RB: One other thing about that, you mentioned that you generally ran kind of a democratic committee, that is, not democratic big D, democratic little d. Where did that come from?

CH: I felt like that everything should be done with a compromise. [U. S.] Senator [Bob] Dole was a good example of that. He did a lot of compromising with [U. S. Senator] Ted Kennedy and so forth. And to me . . . I'll give you one example. We were in a heavy debate one morning at 6

o'clock in the morning. I brought the committee in all kinds of odd times and this was end of session.

RB: Six o'clock in the morning. I bet you were popular.

CH: And we'd had about an hour and a half of debate in committee and [Representative] Bob Krehbiel was my ranking D. and Bob leaned over and he said, "I think this is going to be a tie vote". And I said, "well, I agree with you." He said, "what are you going to do?" I said, "you'll find out when I break the tie." I never tried to tell a committee member how to vote. I tried to give them information. And if the committee voted different than what I felt was right, I blamed myself for not getting them the information that I had.

RB: You didn't have 6 am committee meetings to talk about rules and regs, did you?

CH: No, this was the tail end of the session. When you're in a veto session, you're trying to get the bills out. I was accused of . . . One of the reasons I got kicked off the committee was that our meetings were at 3:30 and often times we went till 6:30 and that was interfering with the lobbyists' time for the Legislators.

RB: I remember some of those and they would go past 5 o'clock and the audience was not always appreciative. I would agree with that. Let's talk about 9/11 a little bit. That's on your list and you brought it up here. It's not something I would have asked you about ordinarily. Why is 9/11 influential?

CH: Well, 9/11 to me. . . Up to that time I had been around the United States on different energy stuff. And after 9/11 I became very concerned about a terrorist attack on our energy and utility infrastructure. With that I immediately called in the security people for all the energy and utility companies in Kansas. We met outside the capital. No other legislators involved with it, so there weren't any violations of open meetings laws. OK, where are we vulnerable, what do we need to do. We met for two or three meetings and one of them said, we need to get you a security clearance. So, they got me a security clearance through the FBI. Well, the FBI supplied me with a program but that's another story, but they supplied me with a program. Every morning I would get a security briefing from the FBI on all threats to the United States on everything and of course I was primarily interested in oil and energy and utilities. With that, that developed part

of my thinking down the road. One of the things I did as chairman every three or four years I'd take my committee down to Wolf Creek [nuclear power plant], for example. After 9/11, I was taken down to Wolf Creek and taken behind the scenes everything that they did down there to try to protect the facility. Talking with the security guards, they said, we've got a problem. I said, what's that? They said, if we shoot somebody on site, we don't have any protection. So, I ran legislation that gave protection to security guards in case they shot somebody on Wolf Creek [property]. That made international news. It came out in Kansas if you come into Wolf Creek's property you'll be shot and then they'll ask you questions. The word went out all over the place on that. Another thing we did was that I was concerned because any rate cases have to go before the KCC and [are subject to open records laws]. And so, I thought, well, if we spend money on security stuff at Wolf Creek and other facilities that are regulated by KCC, that's public knowledge. So, we ran legislation that allowed the KCC to close the hearing on security issues. Any security charge would go through on the energy charge so nobody could detect what we were doing in the way of security for the plants. Then after 9/11, as a result of security clearance, I was working with Federal Energy Regulatory Commission (FERC) with the Department of Energy, and when I was out of session, I was basically living out of a suitcase. Going around to what different areas were doing for security stuff and so forth involved with several national agencies.

RB: Yeah, I remember in that period one of the issues related to that was pipeline security . . .

CH: Oh yeah.

RB: . . . because there are so many big pipelines. Kansas is kind of central. I always wondered a little bit about lack of security related to those things. They always looked to me pretty vulnerable. I assume that was part of the conversation.

CH: That, electric transmission lines and so forth. After 9/11 I personally toured every power plant in the State of Kansas that had 100 megawatts or more. I went to all the underground storage field areas. That way I became familiar with what we had and what we needed to protect. I really can't talk about some things we did. One thing that bothers me right now, I'll be real honest, is that Colonial Pipeline situation happened three or four years ago, that should

have never happened. We talked about that scenario in 2010, of happening and how to prevent it.

RB: Which pipeline?

CH: The Colonial, which went from the Gulf coast to New York. The system went down.

RB: Right.

CH: And we talked about that very scenario in one of these closed meetings. But my first meeting after 9/11, they flew me into Pennsylvania and we went down to a National Guard base. We went through security briefings right off the bat on what our security vulnerabilities were and what we needed to do. That just compounded from then on. I was involved in a tremendous amount of . . .

RB: Let's talk about pipelines a little bit because that was another issue that comes along during your time in the Legislature. What was your role in terms of pipeline permitting in the state and how did you go about that?

CH: That was pretty much done before. Pipelines from this area were built in the 1930s. Now they had expansions of pipelines, they ran a new line in the 1960s from southwest Kansas to northeast. I was on site when they were building the Michigan-Wisconsin pipeline. It was south of Meade, a compressor station.

RB: One of the pipelines came in from the north with Canadian . . .

CH: Keystone Pipeline.

RB: Keystone that came into, my memory is McPherson.

CH: That was part of my big energy bill that I had. One of the things that was happening, we were losing refineries. At one time Kansas had 18 or 20 different refineries and we're down to three. So, I felt like that we needed to make sure that we didn't lose any more refineries. So as a result of that, I met with the three managers of three different [refinery] companies in Wichita. After we had lunch, I said, OK I want to talk to you about what we need to do to get some expansion on the refineries. They said, we can't talk about that. I said, what do you mean? Well, it's a conflict of interest because we're competitors. So, I said, I'll tell you what we'll do. I said, I'll meet with each of you individually here for 20 minutes and I'll not disclose to anybody else

what discussion was. There's where I picked up the information. We developed a bill that includes several things and one of them was, it allowed for tax incentives for pipelines if the oil was made available to Kansas refineries. As a result of that, I'd been up in Canada to the oil sands, tremendous oil reserves. Of course, there's pollution problems with that in some of the extraction methods, some of them it isn't. But that Keystone pipeline was not going to come through Kansas. When we passed the legislation, they decided to bring the Keystone pipeline on into, down to Cushing, Oklahoma. Well, three refineries all had pipelines coming into Cushing, Oklahoma back into Kansas so they could purchase that oil coming down the Keystone Pipeline. And we put in incentives for pipelines, we put incentives for refineries, and a few other things. To me, there again, we needed to make sure that we had the energy sources for the future. And at that point in time, the United States was importing three-fourths of the oil, two-thirds of the oil, that was being used in the United States. After Deepwater Horizon [oil spill] happened, we had the explosion out in the Gulf of Mexico, that was one of the places they took me to, was the explosion down there, and one of the things they were doing as part of that we toured a new LNG [(liquified natural gas)] facility. The facility was developed to import gas to the United States because we didn't have enough gas. Well now they've reversed it and it's going the other way, but we were importing natural gas from northern Africa because we didn't have enough natural gas reserves. That was before horizontal oil drilling and fracking and the shale and so forth that came on afterwards, but . . .

RB: So, my memory of one of those pipeline issues was basically tax, I don't know if forgiveness is the right word, but basically . . .

CH: There was a ten-year property tax exemption.

RB: That was pretty controversial.

CH: It was very controversial.

RB: You got beat up pretty good for that.

CH: I got beat up for that. But to me it was more important to ensure our energy future. The ones that beat me up were the ones along the pipeline, the Keystone Pipeline, the counties, because the county commissioners want oil and gas taxes off of it.

RB: Yes.

CH: There was another issue, another pipeline besides that that was just important. Bushton [KS] [natural gas pipeline hub] was getting ready to be shut down. As a result of that legislation, a pipeline was brought in from Wyoming to Bushton to supply energy because the sources in Kansas for Bushton had played out. So, it kept Bushton in operation. Of course, that was natural gas liquids. That one was not uncontroversial.

RB: Right. So, you were getting beat up from the county people and from the environmental community.

CH: Oh yeah.

RB: You got beat up by just about everybody at that point.

CH: Well, to me, energy was important. All energy, not just oil and gas. That was a part of it. Another thing that a lot of people don't realize is that the refinery at Coffeyville. They're making anhydrous ammonia down there. They're taking the waste from the refinery and combining it with air and making anhydrous ammonia. So, it's not just oil and gas, it's fertilizer.

RB: One of the things that's on your list here, and I know this is important to you and it's important to southwestern Kansas and it's important to all this conversation about renewables is transmission. But I'll tell you right now, it's not a world that I live in, I don't know a huge amount about it, but I know enough to know in a lot of respects, transmission is really the bottleneck that determined a lot of other things that were going to happen. Talk a little bit about your world in terms of transmission.

CH: Electric transmission lines are what pipelines are for natural gas. Everybody was talking about transmission, but nobody was doing anything about it. On the national committees I was on, for example, while we had the transmission authority and several other states had a transmission authority, but they had no teeth to them. So, what I did in November 2005, I believe, I called in all the players. The utility companies' lobbyists, the whole works. We met in the Appropriations [Committee] room of the [Kansas] House [of Representatives] and I said, OK, I want to draft legislation for the transmission authority where we can build electric transmission lines. I said, we're going to run that legislation next session and it's going to pass.

Everybody just kind of laughed at me, and said, you don't pass legislation first year. Well, I brought in all the people that would be involved with it. Utility companies and so forth. We put together a piece of legislation. That legislation did pass the next session, and KETA [Kansas Electric Transmission Authority] was formed, which is made up of six legislators and three non-legislators. We had a hammer that none of the other transmission authorities had and that was that KETA was given authority to borrow money through the KDFA [Kansas Development Finance Authority] to build transmission lines if nobody else would do them. I was very interested in a line being built first from Salina to Wichita, and I couldn't get Westar interested. So, we announced at one of our meetings, came to the conclusion that KETA would build the line from Salina to Wichita. The way we set it up in legislation, we announced we would do that and then there's a time period, it's either 60 days or 90 days that anybody else could come in and say they would build it. And then we'd have to step back, but we'd monitor, and if they were just stonewalling, we would go ahead and build it. Well, the next meeting we had, Interstate Transmission Company (ITC), which is out of north central states, came in and said, we will build a line from Salina to Wichita. Right after that Westar came in and said, we will build the line from Salina to Wichita.

RB: Why were you interested in Salina to Wichita?

CH: Because that was a gap in the system. And we needed to fill gaps up.

RB: In order to have connectivity.

CH: Connectivity and you need to have reverse flow on everything to move electricity. The idea was to get that, that was the first project. Well, we got that project going, and then I felt like we needed a line from Wichita to southwest Kansas up to Axtell, Nebraska. Wichita would hit the north-south lines, and the Axtell, Nebraska would hit their east-west lines. And give us kind of a box to move transmission in, electric energy around. There again, we came in and said, we will build it and ITC came in and said, no, we will build it. So, we stepped back, and they did build it. The thing was, then when ITC wanted to build it, I was involved with Southwest Power Pool, which is a regional authority for electric transmission [RTO] in this area. I remember a meeting that I had with Southwest Power Pool in Tulsa, Oklahoma, and they were talking about all the

projects, and they left off this project. We took a break for lunch, and uncharacteristically of me, I lit into the chairman of the Southwest Power Pool and the manager out of Little Rock because this project had not been included in one of the projects. I guess I lit into them enough that when they came back after lunch, they added that project to it. With that it was decided instead of building a 345 line, they would build a double line, so it would carry twice the amount of energy.

RB: Big capacity.

CH: Yeah, a capacity issue. As a result of that, I remember we had a public hearing, or we didn't, the Kansas Corporation Commission had a hearing on a route from Spearville to Axtell. Landowners coming in and said, you need to move that line over eight, ten miles away because we want the wind turbine to build on our property and with electric transmission line in, we would lose part of the turbines. So, it was a push for renewable energy, but it was, "I want my property so I get the revenue off of it."

RB: I assume that you were looking at southwestern Kansas as part of that transmission line for all sorts of reasons, but one reason winds up being very important is because of the renewables that are out here in terms wind power.

CH: Well, it wasn't there then.

RB: It wasn't there then, but they were coming pretty quick.

CH: Plus, the fact we had a 345 line coming from Amarillo, Texas to Garden City. Then from Garden City to Dodge City. There was another line that went to Colorado was AC-DC-AC to transfer electricity into Colorado. But anyhow, we got that line built and since then you've seen all the renewable energy come in south of Kingman and Pratt. You drive the 54 highway, you've go clear out to Minneola. You go up around Dodge City, there's all over the place up there.

RB: Almost entirely windmills.

CH: Yeah.

RB: But it is a case of, you used to hear that as a reason for not being able to develop renewables in this part of the world was lack of transmission capacity and you don't hear that much anymore.

CH: Right. One other project I want to bring up, this project was called Clean Line. It was proposed around 2007 or 2008. It was to be a 4,000-megawatt line from southwest Kansas, from Hugoton [KS] into Indiana. And Clean Line fought with Missouri for property rights for 15 or 20 years. They finally gave up on it and Grain Belt Express took it over. I met with, when they had the hearings out here. Originally the Clean Line was going to start in Hugoton. But because of the 345 line that was a KETA line, I'll call them KETA lines. They moved the start point to Dodge City. They're going to build feeder lines southwest into Meade County, and southeast to Comanche County. But it's going to start in Dodge City. I think the reason they're starting at Dodge is Dodge and Spearville are 15 or 20 miles apart, is that will give them access to the lines that are put in with KETA project. Instead of shipping electricity from here north to Nebraska and east to Wichita, they'll be able to bring it into there and put on the big line, which will be 5,000 megawatt line. Initially to eastern Missouri and then on into Indiana. To give you an idea, 5,000 megawatts is about 2,000 wind turbines; 5,000 megawatts is 2 ½ Jeffrey [Energy] centers; it's 12 Holcomb power plants; it's five Wolf Creeks. It'll be the largest transmission line in the United States when it's completed. They will transfer from AC to DC, move it east, and then from DC back to AC, because DC has less line loss than what AC does.

RB: You know, this reminds me a little bit again of that rules and regs conversation we just had that the regulated communities are probably not used to a legislator inserting himself into a conversation like this. That must have taken a little getting used to on their part.

CH: Well, I'll go ahead and talk about it. Brian Moline was chairman of the [Kansas] Corporation Commission [(KCC)] and I worked with Brian pretty close. Some of the stuff we closed the door on the conversation taking place at that time will never leave that room. But Brian did a lot of education of me on the responsibilities of Corporation Commission, what their role was and what the Legislature's role could be. I worked with KCC staff, of course, quite a bit. But Brian and I developed a close relationship.

RB: Why didn't you ever wind up on the KCC?

CH: Well, that's the governor's decision. [*Laughter*]

RB: Well, I understand that but there've been a lot of governors. Is that something you would like? You seem to me like you would have been a pretty good fit for that.

CH: Well, at one time I'd liked to have been on the KCC because I felt there's some things we could do that would be aggressive.

RB: And that one is pretty detail-oriented job where you have to look at a lot of what could be for the rest of us not particularly interesting topics. But it seems like that fits you pretty well in a lot of respects.

CH: Another situation with Westar, when they were looking at selling to El Paso Electric, their generation utility assets. Well [David] Wittig had been head of Westar. Wittig had gone in and made investments in a lot of non-utility stuff and had quite a bit of debt. We found out that in the transfer of the utility assets to El Paso, they were going to pass on all the debt on the utility side, so they'd walk away with the other part of it with no debt. In that case, myself and [Representative] Laura McClure and [Representative] Tom Sloan decided that we were going to take on Westar. The first time we went out to Corporation Commission and talked to the staff about what was going on. We went in the same car and Westar [personnel] followed us. So, after that we would go out and talk to KCC, we'd go in separate cars, so it wasn't as easy to follow us going out to the KCC to talk to them about it. It got to the point that Wittig called the three of us into his office and gave us an hour lecture about how the three of us were going to bankrupt Westar because they were not going to be able to sell their utility assets to El Paso. Another story.

RB: While we're in this part of the world, we talked to Steve Morris this morning a little bit about the cellulosic ethanol plant up there in Hugoton and I see that's on your list.

CH: Yeah.

RB: Did you have a role in that?

CH: Well, when we passed our big bill, that was one of the incentives.

RB: When you say big bill, what . . .?

CH: Well, the big bill – I'll have to, I'm sorry [*looking through papers*]. The oil refinery bill, the pipeline bill, the nitrogen fertilizer bill, cellulosic ethanol, integrated coal gasification, and power plants and so forth. That was all put together in one bill.

RB: Do you have what year that is?

CH: 2006. What happened is in 2005 I put together a power point presentation and gave that power point presentation to the summer interim committee. And this was when we had the summer season stuff. After I gave the power point presentation, Joe Harkins was the governor's aide at that time, and he talked to me after the presentation and then he set up a meeting with Governor Sebelius. He said, I want you to come in and talk to Governor Sebelius about what you're proposing here. So, I went in and talked to the governor, we spent about an hour together talking about what needed to be done. Then I worked with [Kansas Secretary of Revenue] Joan Wagnon, who was with the governor's [administration], on the tax incentives. Tax incentives were signed off by the governor before I ever went forward with them. Then we came back to the next year's session. I passed five different bills in the House. It went to Senate and just kind of languished there. The last night of the veto session, this came to me from the Speaker of the House, the Speaker of the House, President of the Senate, and the Governor had a meeting to wrap up, and Governor Sebelius told the Speaker of the House and President of the Senate, Holmes' bill will be on my desk before you leave tomorrow. And that's how the bill passed.

RB: So, the cellulosic ethanol plant is part of the result of incentives that come out of that process?

CH: Right.

RB: So that sort of strikes me, as I look back in retrospect, and we talked to Steve about this, that plant, a little bit, as an experiment that didn't work.

CH: It didn't work. It might have worked someplace else, but here, remember that forage cellulose is coming into us from water.

RB: Right.

CH: They were taking out of the aquifer, and as a result it just . . . It's too cutting edge.

RB: Is that though a function of what you're talking about, you sort of have alluded to this as, we need all available sources of energy.

CH: We need all available sources of energy.

RB: And that's how you were looking at that?

CH: Yeah. We need all. I'll give you an example, in 1989 I was in California, about five of us that went out nationwide to California. We were taken to Tehachapi [Pass wind farm]. At that time the wind turbines were 250 kW wind turbines. The cost of electricity coming off of those turbines that time was about 20 cents a kilowatt. Then we were taken into Los Angeles, where they were growing the cells for photovoltaic and those were 50 cents a kilowatt. Well, we've seen that drop down tremendously. They were experimenting with 375 kW out there at that time. It was a matter of time till they got the project so it would be economical. I felt like that needed to be a part of what we were going to be doing.

RB: Does that feel like the next big thing out here, is solar plants for lack of a better word? Large solar installations.

CH: I'll give you an example for here in Liberal, not just that. When National Beef came here in the late 1960s, they immediately started capturing the waste gas and generating electricity for the power plant. On the east side of Liberal right now, you'll see a huge bubble at the National Beef. They've just redone a waste water treatment plant here and they're capturing the gas off of the waste. National Beef is using that to generate electricity for the packing plant. The City of Liberal is putting in solar and some wind turbines at the wastewater treatment plant. They're also putting solar in on several city buildings here in Liberal. So, you know, it's coming. As a result, your solar generates electricity, when you're at peak load and you need the electricity for the grid because it'll peak in the daytime.

RB: I want to ask you a couple of things related to your committee, but let's . . . Are there any of these other topics here that you really want to make sure we get covered if not?

CH: Let me just glance down through here. When I came to Legislature probably, I was up there about three or four years, we had a major problem here in Liberal with National Beef. They drilled a water well and had VOCs [volatile organic compounds] in it. So, I was involved from a

standpoint of watching what was going on, and they were looking what the source was. Well, Panhandle Eastern out on the west side of Liberal had a big pit that they put all their cleaning fluids in from cleaning the parts. Went around every place there was dry cleaners, contamination. You had ground water contamination around the fuel tanks. You had contamination around the grain elevators with grain fumigants. So, in 1989 we passed legislation to cover underground fuel tanks for service stations and so forth. Then a couple years later I had a legislator come tell me and say, "you know, we got a problem in northwest Kansas with VOCs around grain elevators." So, we put a tax on that fumigant to use to clean up around that. Then they came to me and said, "we got to do something about dry cleaning fluid." So, we did the same thing. We put a tax on dry cleaning fluid to clean up those sites, so we did some things like that to try to clean up. And as a result, the information I learned here around Liberal when they were trying to find the source. And incidentally they found the source. This used to be a B24 base. Somebody remembered that back in World War II there's a tank car on the railroad that was leaking fluid and they parked it about a block from where the water well was and that had got down into the ground water. So that well was being used but they put an air strip in it to strip out the VOCs.

RB: All those are kind of examples of long-term environmental problems that fixing them is not the most exciting thing in the world. But it needs to be done for all sorts of reasons. Maybe again sort of comes back to that attention to detail that you have. One of the things on your list was the level of radioactive waste compact commission. We talked to Laura McClue and Janice Lee about that because they were really, in my mind, especially Laura was very strongly identified. You seem to be able to get along with just about everybody. Well maybe not everybody, but a lot of people.

CH: Most people.

RB: Because they were Democrats, but I don't . . .

CH: Yeah. I remember Laura coming to the Legislature . . .

RB: Before she was a legislator.

CH: . . . before she was a legislator arguing on that. And some of the stuff, hearings we were having in the old Supreme Court chambers.

RB: I remember that brought them out of the woodwork.

CH: What the problem is that they were going to put the low-level [radioactive waste disposal] site in Nebraska, and Nebraska said, no, you're not going to do that. As a result of that, the head of the KDHE at that time already including me in the low-level radioactive waste compact meetings, in all different areas of the compact. Then a little later, North Carolina, which is a low-level radioactive waste site said, "we're not going to take any more waste." So, myself and the head of KDHE and another person flew to Nashville and met with North Carolina people and said, you know, we really need this. They said, "we're upset that nobody's doing anything." So, we came back, and we started having hearings here in Kansas – not hearings, we were having closed meetings – because it's not just nuclear power plants that create low level, hospitals create it. The oil and gas industry and some of their testing stuff has got radioactive materials. As a result, we started looking at things of how we could lower the [amount of waste] that we generate in Kansas at these different sources. We worked with that and of course radioactive waste didn't get. . .

RB: . . . permitted. Do you miss not being involved in this stuff?

CH: Not at my age. I missed leaving the Legislature and I really felt like that, for example with KETA, I had a couple more lines that I wanted built before I left KETA, and we didn't get them built. They've gradually built a couple of them since then, but I was going to push for those to try to get more transmission lines built. Let's talk about one more thing about transmission. Remember about two or three years ago we had the gas well freeze up and all?

RB: In Texas.

CH: We had electricity go out here as a result. If the Grain Belt Express line was in, that could have shipped electricity in from Indiana and Illinois back into this area where we would not have had the blackouts.

RB: This may be a touchy question, but do you feel like people in Liberal or Seward County, however, in your district appreciated the level of attention that you were giving to all these issues? You see what I'm trying to . . .

CH: Yeah.

RB: It feels like, maybe I answered my own question, it feels like to me they didn't. Am I being unfair?

CH: I lost my 2012 election by eight votes. The Tea Party came in and worked against me big time and that's the reason I lost the election. [According to] the Tea Partyers I was not conservative enough. And I was being fair to the Democrats, and you don't be fair to Democrats if you're a Republican at that point in time.

RB: So, in some respects you're getting penalized for, like the way you operate a committee.

CH: Yeah.

RB: I want to ask you, as we finish up here, I remember toward the end of your time as a committee chair, I didn't spend a huge amount of time in the Legislature compared to some people, but I don't know that I ever saw a committee chair who cared about the people on his committee or her committee quite the way you did. I'm not sure what question I'm asking here Carl, but what are your thoughts . . . I remember when you stepped down as chair, it was an emotional day.

CH: I felt like as chair of the committee I should have the knowledge. I guess more like an educator. Both my parents were teachers. I felt like it was up to me to educate the committee on the information, then let them make the decision. In order to do that, as staff knew, didn't know at the time, I was running a lot of dummy bills. I call them dummy bills because I never had any intention of running them clear through the process. But if you just have a hearing on a subject, the committee members are not going to pay any attention to it. They're on their cell phones and so forth. But if you have a hearing on something they think they might have to vote on, you've got their attention. Then, like I said, I made the committee members ask the questions first. I had my list of questions, but as one of them asked my question, I'd cross it off. I held my questions to the last, forcing them to be engaged. I think the committee members

appreciated the fact that all of them were treated equally. That the order of the line of questions the things that they asked was in order of the hands that went up. And one day, when I had a, we'd had a big debate on a bill, I don't remember which one it was, but after the meeting was over, a news media person came up to me and wanted to know how somebody voted. I said, I don't know how they voted. He said, what do you mean, you had a show of hands. I said, I look at hands, I don't look at faces. To me it wasn't how somebody voted, it was how many votes were each way. I never criticized a person for a vote.

RB: You must have a – not to get all touchy-feely here – but you must have liked those people on your committees.

CH: Yeah. One of the education tools that I used was Kansas Geological Survey [Field Conference] tours. I encouraged the committee members to take those tours because they're educational. I felt like that they would help them coming back to the committee when we had subjects coming up that touched on things we touched on the tours.

RB: But I was just struck at how much you seemed to care about those people as people. By those people, I mean committee members. It was, I don't know that I ever saw that any other time up there. It probably took place and I just didn't see it, but I saw it from you.

CH: Well, I think it goes back to my entire life. I was a leader in [Boy] Scouts. When it went on, I developed information and when I got city council one of my first engagements was with the city clerk. When he wanted something, we had the money, if he didn't [want it], we didn't have the money. So, a couple of us started keeping the budget so we after a year we said, we do have the money or we don't, and so forth. But you get everybody involved. Like when I became mayor at Plains, there's no city manager, so the mayor is city manager. I had five council members. I told those council members; I gave each of them responsibility. I said, "I want you to do the nitty gritty stuff, only come to me with the big stuff or you got a problem." I engaged on city council members doing the work of a city manager. They appreciated that, because they were responsible. It wasn't the mayor telling them how to do something, they had to come back to the council with the information.

RB: One last thing I wanted to bring up, and I don't think in the overall scheme of things it was hugely important as an issue, but it does seem to sort of encapsulate your approach to things. And that was – and this is just me – I remember you had two days of interim hearings about compressed air storage and the mineral rights that are associated with compressed air storage, and that looked like it might be a big deal in terms of energy storage and still maybe, I don't know. But you held two days of interim hearings and I don't think you, I mean, I've heard of people talk about an iron bladder up there, but I don't think you got up out of the chair in two days. And from what I can tell, sitting in the audience, you'd have been happy to go another two days. The audience was, I think, you know, crying uncle.

CH: [*Laughing*]

RB: You loved it, didn't you?

CH: Yeah, I loved, I enjoyed it. A lot of it was because I could bring information with all the outside stuff out of session, nationally. I could bring all that stuff back to Kansas. I chaired several national committees dealing with energy and environmental issues. It gave me the opportunity to work with people all the way from Hawaii to Connecticut and so forth in between. I had three trips out to Yucca Mountain, into the mountain. Just tremendous opportunities.

RB: In terms of energy future, are you happy with the direction the country's heading?

CH: OK, we're talking about energy and environment, now?

RB: Yes, we are. We don't have time for that other one, no.

CH: [*Laughter*] I have no problem with it. I feel like that we're making a gradual transition to renewables, which is probably the right way to go long-term, but we have to remember. . .. I had a trip to China and I met with one of the top 12 members of the Politburo in China on energy. When I was over there the first day there wasn't a cloud in sight and you couldn't see the sun. The second day, the sun was like an orange. It rained that night. The third day the sky was clear, but everything on the ground was brown. And China's building at that time one coal-fired plant a week. Now I see we're possibly up to two coal-fired plants [per week]. But they've also put resources into renewable energy.

RB: It's interesting because you see the numbers of renewables go up, but on a percentage basis, things aren't all that different than they were 20 or 30 years ago because the total demand for energy has outpaced everything as well. So, fossil fuels are still almost as important as they ever were because there's just so much more energy demand.

CH: That's one of the reasons I'm excited about the Grain Belt Express power line. 5,000 megawatts. I mean, that is 2,000 or 2,500 wind turbines equivalent and solar on top of that. That opens a lot of stuff up because with a DC line you have a transformer that converts it here and a transform on the other end that converts it back. That means that when that transfers here at Dodge City, it's not downloaded until it hits eastern Missouri. It's going to be a tremendous opportunity for western Kansas. Especially with the [Grain Belt Express] line being able to feed into Dodge instead of just feeding out.

RB: Anything else that we haven't talked about that you want to touch on?

CH: Well, just remember all these fossil fuels we're using, we're mining. We're going to run out. In Colorado, I love the mountains, I love ghost towns. Why were they ghost towns? Because the gold and silver ran out. Look what's happening to us in our water here. Look what happened to Hugoton field. I saw the beginnings and the endings of oil fields. Look at eastern Kansas. Out here, I've seen the development and the death of fossil fuel. We've got to look at the future down the road. The future's not in my lifetime. But we're eventually. What's the next technology getting our gas out of the ground besides shale, horizontal drilling, and fracking? With that you've exhausted everything.

RB: The decisions you made 20 or 30 years ago in terms of transmission lines and other things definitely affect what people are capable of doing today, so the decisions you make today are going to affect folks on down the road . . .

CH: Absolutely.

RB: . . . 20 or 30 years from now. Well, Carl, I sure appreciate the conversation. I hesitate to use this phrase, but you kind of know where the bodies are buried. But you also, boy, there's nobody that sweats the details like you do and I'm glad we had the chance to sit down and have this conversation. I'm glad we got to do it here in Liberal.

CH: Well, I appreciate you coming out here because of my medical situation.

RB: Well, I enjoy coming to this part of the world. It's good to have a reason for it. Thank you very much.

CH: Well, thank you. I appreciate it.

[End of file]

