

HOUSE BILL No. 2228

By Committee on Energy, Utilities and Telecommunications

1-30

1 AN ACT concerning electric public utilities; relating to net metering;
2 requiring electric cooperative public utilities and municipal public
3 utilities to make net-metering available under the net-metering and easy
4 connection act; increasing the system-wide capacity limit for net
5 metered facilities; removing the load-size limitation of certain net-
6 metered systems; amending K.S.A. 66-1264, 66-1265, 66-1266 and 66-
7 1267 and repealing the existing sections.

8
9 *Be it enacted by the Legislature of the State of Kansas:*

10 Section 1. K.S.A. 66-1264 is hereby amended to read as follows: 66-
11 1264. As used in the net metering and easy connection act:

12 (a) "Commission" means the state corporation commission.

13 (b) "Customer-generator" means the owner or operator of a net
14 metered facility ~~which~~ *that*:

15 (1) Is powered by a renewable energy resource;

16 (2) is located on a premises owned, operated, leased or otherwise
17 controlled by the customer-generator;

18 (3) is interconnected and operates in parallel phase and
19 synchronization with an affected utility and is in compliance with the
20 standards established by the affected utility;

21 (4) is intended primarily to offset part or all of the customer-
22 generator's own electrical energy requirements; *and*

23 (5) contains a mechanism, approved by the utility, that automatically
24 disables the unit and interrupts the flow of electricity back onto the
25 supplier's electricity lines in the event that service to the customer-
26 generator is interrupted.

27 (c) "Peak demand" ~~shall have the meaning ascribed thereto~~ *means the*
28 *same as defined* in K.S.A. 66-1257, and amendments thereto.

29 (d) "Renewable energy resources" ~~shall have the meaning ascribed~~
30 ~~thereto~~ *means the same as defined* in K.S.A. 66-1257, and amendments
31 thereto.

32 (e) "Utility" means *an* investor-owned electric utility, *electric*
33 *cooperative public utility or municipally owned or operated electric utility.*

34 Sec. 2. K.S.A. 66-1265 is hereby amended to read as follows: 66-
35 1265. Each utility shall:

36 (a) Make net metering available to customer-generators on a first-

1 come, first-served basis, until the total rated generating capacity of all net
2 metered systems equals or exceeds ~~one percent~~ 10% of the utility's peak
3 demand during the previous year. The commission may increase the total
4 rated generating capacity of all net metered systems to an amount above
5 ~~one percent~~ 10% after conducting a hearing pursuant to K.S.A. 66-101d,
6 and amendments thereto;

7 (b) provide an appropriate class bidirectional meter to the customer-
8 generator at no charge, but may charge the customer-generator for the cost
9 of any additional metering or distribution equipment necessary to
10 accommodate the customer-generator's facility;

11 (c) disclose annually the availability of the net metering program to
12 each of its customers with the method and manner of disclosure being at
13 the discretion of the utility; *and*

14 ~~(d) for any customer-generator which began operating its renewable~~
15 ~~energy resource under an interconnect agreement with the utility prior to~~
16 ~~July 1, 2014,~~ offer to the customer-generator a tariff or contract that is
17 identical in electrical energy rates, rate structure and monthly charges to
18 the contract or tariff that the customer would be assigned if the customer
19 were not an eligible customer-generator and shall not charge the customer-
20 generator any additional standby, capacity, interconnection or other fee or
21 charge that would not otherwise be charged if the customer were not an
22 eligible customer-generator; *and*

23 ~~(e) for any customer-generator which began operating its renewable~~
24 ~~energy resource under an interconnect agreement with the utility on or~~
25 ~~after July 1, 2014, have the option to propose, within an appropriate rate~~
26 ~~proceeding, the application of time-of-use rates, minimum bills or other~~
27 ~~rate structures that would apply to all such customer-generators~~
28 ~~prospectively.~~

29 Sec. 3. K.S.A. 66-1266 is hereby amended to read as follows: 66-
30 1266. (a) ~~Prior to January 1, 2030,~~ For any customer-generator that began
31 operating a renewable energy resource under an interconnect agreement
32 with the utility prior to July 1, 2014:

33 (1) If the electricity supplied by the utility exceeds the electricity
34 generated by the customer-generator during a billing period, the customer-
35 generator shall be billed for the net electricity supplied by the utility in
36 accordance with normal practices for customers in the same rate class.

37 (2) If such customer-generator generates electricity in excess of the
38 customer-generator's monthly consumption, all such net excess energy
39 ~~(NEG)~~, expressed in kilowatt-hours, shall be carried forward from month-
40 to-month and credited at a ratio of one-to-one against the customer-
41 generator's energy consumption, expressed in kilowatt-hours, in
42 subsequent months.

43 (3) Any interconnect agreement between such customer-generator

1 and a utility and all such ~~NEG net excess energy~~ generated under such
2 agreement shall be ~~transferrable~~ *transferable* and continue in place ~~until~~
3 ~~January 1, 2030~~, regardless of whether there is a change in ownership of
4 the property on which the renewable energy resource is located.

5 (4) Any ~~NEG net excess energy~~ resulting from renewable energy
6 resources that are installed on and after July 1, 2014, but are part of an
7 installation of a renewable energy resource that was operating prior to July
8 1, 2014, shall be carried forward and credited to the customer as if such
9 resources had begun operation prior to July 1, 2014.

10 (5) Any net excess *energy* generation credit remaining in a net-
11 metering customer's account on March 31 of each year shall expire.

12 (b) For any customer-generator that began operating a renewable
13 energy resource under an interconnect agreement with the utility on and
14 after July 1, 2014:

15 (1) If the electricity supplied by the utility exceeds the electricity
16 generated by the customer-generator during a billing period, the customer-
17 generator shall be billed for the net electricity supplied by the utility.

18 (2) If such customer-generator generates electricity in excess of the
19 customer-generator's monthly consumption, all such ~~NEG net excess~~
20 *energy, expressed in kilowatt-hours*, remaining in such customer-
21 generator's account at the end of each billing period shall be ~~credited to the~~
22 ~~customer at a rate of 100% of the utility's monthly system average cost of~~
23 ~~energy per kilowatt hour reduced by 25% and carried forward as kilowatt-~~
24 ~~hours from month to month against the customer-generator's energy~~
25 ~~consumption in subsequent months.~~

26 (3) *Any interconnect agreement between such customer-generator*
27 *and a utility and all such net excess energy generated under such*
28 *agreement shall be transferable and continue in place regardless of*
29 *whether there is a change in ownership of the property on which the*
30 *renewable energy resource is located.*

31 (4) *Any net excess energy generation credit remaining in a net-*
32 *metering customer's account on March 31 of each year shall expire.*

33 (e) ~~On and after January 1, 2030, for all customer-generators,~~
34 ~~regardless of when such customer-generators entered into an interconnect~~
35 ~~agreement with the utility:~~

36 (1) ~~If the electricity supplied by the utility exceeds the electricity~~
37 ~~generated by the customer-generator during a billing period, the customer-~~
38 ~~generator shall be billed for the net electricity supplied by the utility; and~~

39 (2) ~~if such customer-generator generates electricity in excess of the~~
40 ~~customer-generator's monthly consumption, all such NEG remaining in a~~
41 ~~customer-generator's account at the end of each billing period shall be~~
42 ~~credited to the customer at a rate of 100% of the utility's monthly system~~
43 ~~average cost of energy per kilowatt hour.~~

1 Sec. 4. K.S.A. 66-1267 is hereby amended to read as follows: 66-
2 1267. (a) ~~For customer-generators that began operating a renewable energy~~
3 ~~resource under an interconnect agreement with the utility prior to July 1,~~
4 ~~2014:~~

5 ~~(1) Such utility shall allow:~~

6 ~~(A) Residential customer-generators to generate electricity subject to~~
7 ~~net metering up to 25 kilowatts; and~~

8 ~~(B) commercial, industrial, school, local government, state~~
9 ~~government, federal government, agricultural and institutional customer-~~
10 ~~generators to generate electricity subject to net metering up to 200~~
11 ~~kilowatts.~~

12 ~~(2) Nothing in this act shall be construed to prevent such customer-~~
13 ~~generators from installing additional renewable energy resources after July~~
14 ~~1, 2014, that will generate electricity pursuant to the restrictions contained~~
15 ~~in paragraph (1).~~

16 ~~(b) For customer-generators that begin operating a renewable energy~~
17 ~~resource under an interconnect agreement with the utility after July 1,~~
18 ~~2014, such utility shall allow:~~

19 ~~(1) All residential customer-generators to generate electricity subject~~
20 ~~to net metering up to 15 kilowatts;~~

21 ~~(2) commercial, industrial, religious institution, local government,~~
22 ~~state government, federal government, agricultural and industrial~~
23 ~~customer-generators to generate electricity subject to net metering up to~~
24 ~~100 kilowatts, unless otherwise agreed to by the utility and the customer-~~
25 ~~generator; and~~

26 ~~(3) school customer-generators to generate electricity subject to net~~
27 ~~metering up to 150 kilowatts. For the purpose of this section, "school"~~
28 ~~means any postsecondary educational institution as defined in K.S.A. 74-~~
29 ~~3201b, and amendments thereto, or any public or private school which~~
30 ~~provides instruction for students enrolled in grade kindergarten or grades~~
31 ~~one through 12 Subject to the provisions of subsection (b), a utility shall~~
32 ~~not impose a cap or limit the amount of electricity that a customer-~~
33 ~~generator may generate subject to net metering under any interconnect~~
34 ~~agreement between a customer-generator and the utility.~~

35 ~~(e)(b) Customer-generators shall appropriately size their generation to~~
36 ~~system's export capacity subject to net-metering to not exceed their~~
37 ~~expected load. Under no circumstance shall a system's maximum system~~
38 ~~export capacity subject to net-metering exceed 250 kilowatts of alternating~~
39 ~~current power.~~

40 ~~(c) The maximum system export capacity shall be determined as~~
41 ~~follows:~~

42 ~~(1) (A) (i) Divide the customer-generator's historic consumption in~~
43 ~~kilowatt-hours for the previous 12-month period by 8,760; and~~

1 (ii) divide the quotient calculated pursuant to subparagraph (A)(i) by
2 a capacity factor of 0.144; or

3 (B) if the customer-generator does not have historic consumption
4 data that adequately reflects the customer's consumption at such premises,
5 the customer-generator's historic consumption for the previous 12-month
6 period shall be 7.15 kilowatt-hours per square foot of occupiable space;
7 and

8 (2) round up the quotient calculated pursuant to paragraph (1)(A)(ii)
9 or the amount determined pursuant to paragraph (1)(B) to the nearest
10 standard size as follows:

11 (A) Between two kilowatts alternating current power and 20 kilowatts
12 alternating current power; round up to the nearest two kilowatts
13 alternating current power increment; and

14 (B) between 20 kilowatts alternating current power and 250 kilowatts
15 alternating current power; round up to the nearest five kilowatts
16 alternating current power increment.

17 Sec. 5. K.S.A. 66-1264, 66-1265, 66-1266 and 66-1267 are hereby
18 repealed.

19 Sec. 6. This act shall take effect and be in force from and after its
20 publication in the statute book.