

HOUSE BILL No. 2291

By Representative Collins

2-9

1 AN ACT concerning electric public utilities; relating to the net metering
2 and easy connection act; applying such act to electric cooperatives and
3 municipal utilities; prohibiting discriminatory rates and charges;
4 requiring certain compensation for energy generated by net metered
5 facilities; increasing the system-wide capacity limit of net metered
6 facilities; amending K.S.A. 66-1264, 66-1265, 66-1266 and 66-1267
7 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;

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~~ 2% 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~~ 2% 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~~ 2040, for any customer-generator ~~that~~
31 ~~began~~ operating a renewable energy resource under an interconnect
32 agreement 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~~ 75% of the retail rate
41 against the customer-generator's energy consumption, expressed in
42 kilowatt-hours, in 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 and continue in place until January 1,
 3 ~~2030~~ *2040*, regardless of whether there is a change in ownership of the
 4 property on which the renewable energy resource is located.

5 ~~(4) Any NEG resulting from renewable energy resources that are~~
 6 ~~installed on and after July 1, 2014, but are part of an installation of a~~
 7 ~~renewable energy resource that was operating prior to July 1, 2014, shall~~
 8 ~~be carried forward and credited to the customer as if such resources had~~
 9 ~~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 remaining in~~
 20 ~~such customer-generator's account at the end of each billing period shall be~~
 21 ~~credited to the customer at a rate of 100% of the utility's monthly system~~
 22 ~~average cost of energy per kilowatt hour.~~

23 ~~(e) On and after January 1, 2030~~ *2040*, for all customer-generators;
 24 ~~regardless of when such customer-generators entered into an operating a~~
 25 ~~renewable energy resource under an interconnect agreement with the~~
 26 ~~utility:~~

27 (1) If the electricity supplied by the utility exceeds the electricity
 28 generated by the customer-generator during a billing period, the customer-
 29 generator shall be billed for the net electricity supplied by the utility; and

30 (2) if such customer-generator generates electricity in excess of the
 31 customer-generator's monthly consumption, all such ~~NEG~~ *net excess*
 32 *energy* remaining in a customer-generator's account at the end of each
 33 billing period shall be credited to the customer at a rate of 100% of the
 34 utility's monthly system average cost of energy per kilowatt hour.

35 Sec. 4. K.S.A. 66-1267 is hereby amended to read as follows: 66-
 36 1267. ~~(a) For customer-generators that began operating a renewable energy~~
 37 ~~resource under an interconnect agreement with the utility prior to July 1,~~
 38 ~~2014:~~

39 ~~(1) —~~, such utility shall allow:

40 ~~(A)~~*(a)* Residential customer-generators to generate electricity subject
 41 to net metering up to 25 kilowatts; and

42 ~~(B)~~*(b)* commercial, industrial, school, local government, state
 43 government, federal government, agricultural and institutional customer-

1 generators to generate electricity subject to net metering up to 200
2 kilowatts.

3 ~~(2) Nothing in this act shall be construed to prevent such customer-~~
4 ~~generators from installing additional renewable energy resources after July~~
5 ~~1, 2014, that will generate electricity pursuant to the restrictions contained~~
6 ~~in paragraph (1):~~

7 ~~(b) For customer-generators that begin operating a renewable energy~~
8 ~~resource under an interconnect agreement with the utility after July 1,~~
9 ~~2014, such utility shall allow:~~

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

12 ~~(2) commercial, industrial, religious institution, local government,~~
13 ~~state government, federal government, agricultural and industrial~~
14 ~~customer-generators to generate electricity subject to net metering up to~~
15 ~~100 kilowatts, unless otherwise agreed to by the utility and the customer-~~
16 ~~generator; and~~

17 ~~(3) school customer-generators to generate electricity subject to net~~
18 ~~metering up to 150 kilowatts. For the purpose of this section, "school"~~
19 ~~means any postsecondary educational institution as defined in K.S.A. 74-~~
20 ~~3201b, and amendments thereto, or any public or private school which~~
21 ~~provides instruction for students enrolled in grade kindergarten or grades~~
22 ~~one through 12.~~

23 ~~(e) Customer-generators shall appropriately size their generation to~~
24 ~~their expected load.~~

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

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