

SENATE BILL No. 181

By Committee on Federal and State Affairs

2-14

1 AN ACT creating the Kansas energy policy task force; relating to a study
2 of Kansas electric utility services and energy policy issues.

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4 *Be it enacted by the Legislature of the State of Kansas:*

5 Section 1. (a) There is hereby created the Kansas energy policy task
6 force. The task force shall conduct a comprehensive, forward-looking
7 study of energy policy issues in Kansas to promote quality of life, advance
8 economic growth and support service and reliability.

9 (b) The task force shall consist of 25 members, as follows:

10 (1) The chairperson and ranking minority member of the house of
11 representatives committee on energy, utilities and telecommunications;

12 (2) the chairperson and ranking minority member of the senate
13 committee on utilities;

14 (3) one member of the house of representatives appointed by the
15 speaker of the house of representatives;

16 (4) one member of the senate appointed by the senate president;

17 (5) one member appointed by the governor;

18 (6) one member of the state corporation commission or commission
19 staff designated by the state corporation commission;

20 (7) one member of the citizens' utility ratepayer board or board staff
21 designated by the chairperson of the board;

22 (8) one member from a large, commercial or industrial electric
23 consumer designated by the Kansas chamber of commerce;

24 (9) one member from a small, commercial or industrial electric
25 consumer designated by the Kansas national federation of independent
26 businesses;

27 (10) one member that is a residential electric customer designated by
28 Kansas AARP;

29 (11) one member designated by the climate and energy project;

30 (12) one member designated by the advance power alliance;

31 (13) one member designated by the chief executive officer of Evergy;

32 (14) one member designated by the chief executive officer of liberty
33 utilities;

34 (15) one member designated by the governing body of the association
35 of Kansas municipal utilities;

36 (16) one member designated by the Kansas power pool;

- 1 (17) one member designated by the Kansas municipal energy agency;
- 2 (18) one member designated by the Kansas city board of public
3 utilities;
- 4 (19) one member designated by the governing body of the association
5 of Kansas electric cooperatives;
- 6 (20) one member designated by the Kansas electric power
7 cooperative;
- 8 (21) one member designated by sunflower electric power corporation;
- 9 (22) one member designated by midwest energy; and
- 10 (23) one member designated by ITC great plains.
- 11 (c) The task force shall elect a chairperson from the membership and
12 shall meet at least four times a year on the call of the chairperson. The task
13 force shall submit a report with any recommendations and accompanying
14 studies to the house of representatives committee on energy, utilities and
15 telecommunications and to the senate committee on utilities by December
16 31, 2020. Such report and recommendations shall include, but not be
17 limited to, the following topics:
- 18 (1) Analysis of current state policies and laws that impact electric
19 public utility operations and rates including, but not be limited to, a review
20 of:
- 21 (A) The effectiveness of current Kansas ratemaking practices,
22 including whether such practices adequately attract needed utility capital
23 investments and adequately discourage unnecessary capital investments in
24 Kansas;
- 25 (B) whether current ratemaking appropriately recovers the cost of
26 serving customers from each customer class and balances utility profits
27 with the public interest objectives of competitive electricity pricing and
28 service quality;
- 29 (C) whether allowing Kansas investor-owned electric public utilities
30 to recover costs through surcharges and riders, without a traditional
31 ratemaking process, has unnecessarily contributed to rising wholesale and
32 retail electricity prices;
- 33 (D) whether allowing Kansas electric cooperatives and municipal
34 utilities to set rates and recover costs without a traditional regulatory
35 ratemaking process is in the public interest;
- 36 (E) how cyber and physical security and grid stabilization efforts
37 have affected, or are projected to affect, electric public utility rates;
- 38 (F) the value of a utility integrated resource planning process that
39 requires state regulatory approval;
- 40 (G) the impact of special contracts with commercial and industrial
41 customers and economic development rates on other customer classes; and
- 42 (H) economic analysis of the price fluctuations of generation fuels on
43 the cost of electricity.

- 1 (2) Actions of regulatory agencies that impact Kansas utilities and
2 customers, including, but not limited to:
- 3 (A) Environmental regulations to protect wildlife, air or water
4 quality;
- 5 (B) whether electricity providers in the region are subject to similar
6 state laws, regulations and oversight as those in Kansas; and
- 7 (C) how utilities in the region have complied with regulations
8 affecting their utility assets and whether Kansas utilities have employed
9 similar strategies.
- 10 (3) The role of the southwest power pool and its impact on Kansas
11 utilities and customers, including, but not limited to:
- 12 (A) Requirements for transmission investments and the retail rate
13 impacts of such required investments; and
- 14 (B) the extent to which transmission investments by Kansas electric
15 public utilities have impacted retail rates, including any incremental
16 regional transmission costs incurred by Kansas ratepayers for transmission
17 investments in other states.
- 18 (4) An analysis of the impact of external forces on utility reliability
19 and rates, including, but not limited to:
- 20 (A) Whether investments in electric transmission and renewable
21 generation resources have contributed to the early retirement or reduced
22 dispatch of existing generation and at what cost;
- 23 (B) further investments in energy efficiency, including revenue
24 decoupling and renewable energy incentives;
- 25 (C) the economic impact on all parties of customer generation,
26 demand rates and customer service charges;
- 27 (D) advanced energy technologies including micro grids, electric
28 vehicles, charging stations, customer generation, battery storage and
29 transactive energy; and
- 30 (E) customer growth, labor market, cost of materials and supplies and
31 economic conditions.
- 32 (5) Review options available to the state corporation commission and
33 the Kansas legislature, including, but not limited to:
- 34 (A) Whether capital expenditures and operating expenses of Kansas
35 electric public utilities can be managed to achieve and sustain competitive
36 retail rates while maintaining adequate and reliable service;
- 37 (B) whether performance-based regulation, economic development
38 initiatives, price-cap regulation or other non-traditional ratemaking
39 methods should be considered in ratemaking; and
- 40 (C) how Kansas sales tax, property taxes, assessment rates and other
41 fees and taxes on utilities compare to other states in the region and impact
42 the competitiveness of utility rates.
- 43 (d) The staff of the office of revisor of statutes, the legislative

1 research department, the division of legislative administrative services, the
2 state corporation commission and any other state agency shall provide
3 assistance as may be requested by the Kansas energy policy task force.

4 (e) Legislative members of the Kansas energy policy task force
5 attending meetings authorized by the task force shall receive compensation
6 as provided by K.S.A. 75-3223(e), and amendments thereto. Such amounts
7 paid to members shall be paid from the budget of the state corporation
8 commission.

9 Sec. 2. This act shall take effect and be in force from and after its
10 publication in the Kansas register.