

CORRECTED
SESSION OF 2014

**SUPPLEMENTAL NOTE ON SENATE SUBSTITUTE FOR
HOUSE BILL NO. 2482**

As Recommended by Senate Committee on
Utilities

Brief*

Senate Sub. for HB 2482 would establish the Energy Efficiency Investment Act. The Act would require the Kansas Corporation Commission (KCC) to permit electric and natural gas public utilities to implement Commission-approved programs and cost recovery mechanisms to reduce the consumption of electricity or natural gas by retail customers.

The Act also would require the KCC, in determining whether to approve a program, to consider the cost effectiveness of any such program, except that programs targeted to low-income customers would not be required to meet a cost effectiveness test if the KCC determines they are in the public interest.

The Act would require the KCC to allow the utility to recover its costs in delivering the programs as long as the program results in energy savings or is beneficial to customers in the targeted class. The Act also would allow the KCC to allow cost recovery mechanisms that encourage investment in programs designed to reduce the consumption of electricity or natural gas by retail customers.

The Act would permit the KCC to promulgate rules and regulations for the administration of the Act.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

Background

The bill was originally introduced by the Senate Committee on Utilities as Senate Bill 374. At the Senate Committee hearing on the bill, proponents included representatives from Brightergy and KCP&L. Written testimony in support of the bill was provided by representatives of Efficiency First Kansas City, Greenwood Consulting Group, and Kansans for Clean Energy and a private citizen. Opponents included representatives from Atmos Energy, Black Hills Energy, and Kansas Gas Service. Written neutral testimony was provided by the Citizens' Utility Ratepayer Board, Empire District Electric Company, the KCC, Kansas Electric Cooperatives, and Westar Energy.

The Senate Committee amended the bill to include natural gas utilities in the Act and state that the Act shall not include programs to incentivize fuel switching for residential heating systems. The Senate Committee then inserted the contents of SB 374 into HB 2482, the contents of which were previously moved to HB 2487.

The fiscal note supplied by the Division of the Budget on the bill as introduced indicated that any fiscal effect associated with the bill would be negligible. A fiscal note on the amended bill was not immediately available.