

SESSION OF 2013

SUPPLEMENTAL NOTE ON SENATE BILL NO. 82

As Recommended by Senate Committee on
Utilities

Brief*

SB 82 would amend existing law regarding the state's renewable energy portfolio standard (RPS). Currently, the RPS requires utilities to generate or purchase electricity generated from renewable energy resources, which counts toward the utilities' RPS requirement. The utilities are required to meet a specific percent of their peak demand with renewable generation capacity by calendar years specified in statute.

The bill would amend the years 2016 and 2020 to 2018 and 2024 for the years that renewable energy credits could be used to meet a portion of RPS requirements.

The bill also would amend the various calendar years by stating when a utility is required to use a certain percentage of renewable energy as part of the RPS requirement:

- Ten percent would be required from 2011 to 2017, rather than 2015, as required in current law;
- Fifteen percent would be required from 2018 to 2023, rather than 2016 to 2019, as required in current law; and
- Twenty percent would be required starting in 2024, rather than 2020, as required in current law.

*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>

For both the 15 and 20 percent requirements, the Kansas Corporation Commission (KCC) could delay a utility's RPS requirement for a specified period of time upon the utility showing good cause to do so. The bill would define good cause as including availability of firm transmission service, excessive costs to retail electric customers, or any other cause deemed acceptable by the KCC.

Finally, the bill would define in statute the term "firm transmission service" as meaning either firm point-to-point transmission service or firm network transmission service as defined in the Southwest Power Pool (SPP) open access transmission tariff or other applicable transmission tariff as approved by the Federal Energy Regulatory Commission (FERC).

Background

The bill was introduced by the Senate Committee on Utilities.

At the hearing on the bill, proponents included a representative of the Kansas Policy Institute and a member of the public. Both proponents cited information on increasing utility rates as a result of supporting the renewable energy industry.

Opponents of the bill included representatives of BP Wind Energy, CPV Renewable Energy Company, EDP Renewables North America, Iberdrola Renewables, Infinity Wind Power, Kansans for Clean Energy, Natural Resources Defense Council, NextEra Energy Resources, Siemens Energy, The Wind Coalition, Vestas-American Wind Industry, and a member of the public. Opponents stated the current RPS is responsible for increased economic development in renewable energy generation across the state. In addition, the opponents stated all utilities in the state have met the current 10 percent requirement and all but two utilities have met the current 15 percent requirement, which is not required to be met until calendar years 2016 to 2019.

Neutral testimony on the bill was provided by ITC Great Plains, Kansas Farm Bureau, KCP&L, and Westar Energy.

The fiscal note provided by the Division of the Budget states the passage of the bill would have no fiscal effect for the KCC or the Citizens' Utility Ratepayer Board.