

SENATE BILL No. 2

By Special Committee on Utilities

1-5

AN ACT concerning certain parallel electric generation services; amending K.S.A. 66-1,184 and repealing the existing section.

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

Section 1. K.S.A. 66-1,184 is hereby amended to read as follows: 66-1,184. (a) Every public utility which provides retail electric services in this state shall enter into a contract for parallel generation service with any person who is a customer of such utility, upon request of such customer, whereby such customer may attach or connect to the utility's delivery and metering system an apparatus or device for the purpose of feeding excess electrical power which is generated by such customer's energy producing system into the utility's system. No such apparatus or device shall either cause damage to the public utility's system or equipment or present an undue hazard to utility personnel. *Subject to the provisions of subsection (b)*, every such contract shall include, but need not be limited to, provisions relating to fair and equitable compensation on such customer's monthly bill for energy supplied to the utility by such customer, and the following terms and conditions: ~~(a)~~ (1) The utility will supply, own, and maintain all necessary meters and associated equipment utilized for billing. In addition, and for the purposes of monitoring customer generation and load, the utility may install at its expense, load research metering. The customer shall supply, at no expense to the utility, a suitable location for meters and associated equipment used for billing and for load research; ~~(b)~~ (2) for the purposes of insuring the safety and quality of utility system power, the utility shall have the right to require the customer, at certain times and as electrical operating conditions warrant, to limit the production of electrical energy from the generating facility to an amount no greater than the load at the customer's facility of which the generating facility is a part; ~~(c)~~ (3) the customer shall furnish, install, operate, and maintain in good order and repair and without cost to the utility, such relays, locks and seals, breakers, automatic synchronizer, and other control and protective apparatus as shall be designated by the utility as being required as suitable for the operation of the generator in parallel with the utility's system. In any case where the customer and the utility cannot agree to terms and conditions of any such contract,

1 the state corporation commission shall establish the terms and conditions
2 for such contract. In addition, the utility may install, own, and maintain
3 a disconnecting device located near the electric meter or meters. Inter-
4 connection facilities between the customer's and the utility's equipment
5 shall be accessible at all reasonable times to utility personnel. The cus-
6 tomer may be required to reimburse the utility for any equipment or
7 facilities required as a result of the installation by the customer of gen-
8 eration in parallel with the utility's service. The customer shall notify the
9 utility prior to the initial energizing and start-up testing of the customer-
10 owned generator, and the utility shall have the right to have a represen-
11 tative present at such test; and ~~(d)~~ (4) the utility may require a special
12 agreement for conditions related to technical and safety aspects of parallel
13 generation.

14 (b) *If the customer is a small electric generator, as determined by the*
15 *state corporation commission, fair and equitable compensation for energy*
16 *supplied by such customer to a public utility pursuant to a contract pro-*
17 *vided for by this section shall be not less than 150% of the utility's mar-*
18 *ginal cost to produce one more unit of power.*

19 (c) Service under any ~~such~~ contract *provided for by this section* shall
20 be subject to the utility's rules and regulations on file with the state cor-
21 poration commission.

22 Sec. 2. K.S.A. 66-1,184 is hereby repealed.

23 Sec. 3. This act shall take effect and be in force from and after its
24 publication in the statute book.

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