Session of 2006

## **HOUSE BILL No. 2657**

By Committee on Utilities

1-19

AN ACT concerning certain public utilities; relating to energy efficiency and conservation programs for certain customers; providing for and recovery of certain amounts therefor.

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

Section 1. (a) For energy efficiency and conservation programs receiving prior approval of the commission, the state corporation commission shall authorize any electric public utility or natural gas public utility to recover the utility's authorized rate of return on investments by such utility in energy efficiency and conservation programs for residential customers who have an energy audit and are current in the payment of their utility bills or payments under their utility bill payment plan.

(b) For energy efficiency and conservation programs receiving prior approval of the commission, the commission shall authorize any electric public utility or natural gas public utility to recover the utility's authorized rate of return on investments by such utility in programs to reduce uncollectible bills of residential customers of the utility through prepaid energy cards or similar programs that place responsibility for wise use of energy on customers at high risk of having uncollectible bills. Before the commission authorizes the recovery, the utility shall be required to submit to and obtain approval by the commission of the utility's policies for identifying such high-risk customers. Such policies shall take into account the customer's previous failures to meet terms of payment plan agreements, landlord preferences and such other factors as agreed to by the utility and the commission.

(e) The state corporation commission shall authorize any electric public utility or natural gas public utility to recover the utility's authorized rate of return on any investments by such utility in energy efficiency and conservation programs for commercial customers who have an energy audit and are current in payment of their utility bills, and on applicable incentives, pursuant to subsection (e) of K.S.A. 66-117, and amendments thereto, by such utility in energy efficiency and conservation programs for customers.

(b) In evaluating and approving proposed energy efficiency

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and conservation programs, the commission shall consider:

- (1) The proposed time period for the program and how that period addresses initiation, promotion, implementation and evaluation of program effectiveness;
- (2) the cost-effectiveness and the reliability of technologies employed;
- (3) the percentage of proposed program expenditures devoted to residential programs which directly address energy efficiency and conservation for residential rental property and low-income persons;
- (4) the mechanism or process for an independent audit of the utility's programs, investments, expenditures and energy savings; and
- (5) any other factors or criteria which the commission deems relevant.
- (c) The commission may propose an electric or natural gas public utility make investments and expenditures in energy efficiency and conservation programs.
- (d) The commission may establish a list of programs, and may from time to time change such list, which may be offered as energy efficiency and conservation programs by any electric or natural gas public utility.
- (e) The commission may contract with any qualified entity to review public utility and commission proposed energy efficiency and conservation programs.
- (f) Nothing in this section shall preclude the commission and a public utility from entering into energy efficiency and conservation agreements not undertaken pursuant to this section or preclude the commission from exercising its authority pursuant to subsection (e) of K.S.A. 66-117, and amendments thereto.
- Sec. 2. This act shall take effect and be in force from and after its publication in the statute book.