

HOUSE BILL No. 2881

By Representative Holland

2-13

9 AN ACT concerning solar and wind generated electricity; relating to net
10 metering; amending K.S.A. 2007 Supp. 66-1,184 and repealing the
11 existing section.
12

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

14 New Section 1. (a) As used in this section:

15 (1) "Avoided fuel cost" means the current average cost of fuel for the
16 entity generating electricity, as defined by the regulatory authority.

17 (2) "Eligible customer-generator" means a retail electric supplier's
18 customer who uses a solar or a wind turbine electricity generating facility,
19 or a hybrid system of both, that has a capacity of not more than 10 kilo-
20 watts, is located on the customer's premises, is interconnected and op-
21 erates in parallel with the electric grid and is intended primarily to offset
22 part or all of the customer's own electrical requirements.

23 (3) "Net metering" means measuring the difference between the
24 electricity supplied through the electric grid and the electricity generated
25 by an eligible customer-generator and fed back to the electric grid over
26 a 12-month period as described in subsection (d).

27 (4) "Regulatory authority" means the state corporation commission,
28 for an electric public utility, and the governing body, for a municipal
29 electric or electric cooperative utility.

30 (5) "Retail electric supplier" means any municipal electric utility,
31 electric cooperative utility or electric public utility which provides retail
32 electric service in this state.

33 (b) (1) Every retail electric supplier shall develop a standard contract
34 or tariff providing for net metering and shall make such contract available,
35 upon request, to eligible customer-generators on a first-come-first-served
36 basis until the time that the total rated generating capacity used by eligible
37 customer-generators equals 1% of the supplier's aggregate customer peak
38 demand.

39 (2) On an annual basis, each retail electric supplier shall make avail-
40 able to the regulatory authority information on the total rated generating
41 capacity used by eligible customer-generators who are customers of such
42 supplier.

43 (c) Net metering shall be accomplished using a single meter capable

1 of registering the flow of electricity in two directions. An additional meter
2 or meters to monitor the flow of electricity in each direction may be
3 installed with the consent of the customer-generator, at the expense of
4 the retail electric supplier, and the additional metering shall be used only
5 to provide the information necessary to accurately bill or credit the cus-
6 tomer-generator pursuant to subsection (e), or to collect solar or wind
7 electric generating system performance information for research pur-
8 poses. If the existing electrical meter of an eligible customer-generator is
9 not capable of measuring the flow of electricity in two directions, the
10 customer-generator shall be responsible for all expenses involved in pur-
11 chasing and installing a meter that is able to measure electricity flow in
12 two directions. If an additional meter or meters are installed, the net
13 metering calculation shall yield a result identical to that of a single meter.

14 (d) With respect to rate structure, all retail rate components and any
15 monthly charges, each net metering contract or tariff shall be identical to
16 the contract or tariff to which the same customer would be assigned if
17 such customer were not an eligible customer-generator. The charges for
18 all retail rate components for eligible customer-generators shall be based
19 exclusively on the customer-generator's net kilowatt hour consumption
20 over a 12-month period. Any new or additional demand charge, standby
21 charge, customer charge, minimum monthly charge, interconnection
22 charge or other charge that would increase an eligible customer-genera-
23 tor's costs beyond those of other customers in the rate class to which the
24 eligible customer-generator would otherwise be assigned is contrary to
25 the intent of this section and shall not form a part of net metering con-
26 tracts or tariffs.

27 (e) The net metering calculation shall be made by measuring the
28 difference between the electricity supplied to the eligible customer-gene-
29 rator and the electricity generated by the eligible customer-generator
30 and fed back to the electric grid over a 12-month period. The following
31 rules shall apply to the annualized net metering calculation:

32 (1) At the end of each 12-month period following the date of final
33 interconnection of the eligible customer-generator's system with a retail
34 electric supplier, and at each anniversary date thereafter, the eligible cus-
35 tomer-generator shall be billed for electricity used during such period.
36 The retail electric supplier shall determine if the eligible customer-gene-
37 rator was a net consumer or a net producer of electricity during such
38 period.

39 (2) At the end of each 12-month period, if the electricity supplied
40 during the period by the retail electric supplier exceeds the electricity
41 generated by the eligible customer-generator during the same period, the
42 eligible customer-generator is a net electricity consumer and the retail
43 electric supplier shall be owed compensation for the eligible customer-

1 generator's net kilowatt hour consumption over the same period. The
2 compensation owed for the eligible customer-generator's net 12-month
3 kilowatt hour consumption shall be calculated according to the terms of
4 the contract or tariff to which the same customer would be assigned to
5 or be eligible for if the customer were not an eligible customer-generator.
6 If the same customer-generator is a net generator during any discrete
7 time of use period, the net kilowatt hours produced shall be valued at the
8 same price per kilowatt hour as the retail electric supplier would charge
9 for retail kilowatt hour sales during the same time of use period. If the
10 eligible customer-generator's time of use electrical meter is unable to
11 measure the flow of electricity in two directions, subsection (c) shall apply.

12 (3) For each monthly period, the net balance of moneys owed to the
13 retail electric supplier for net consumption of electricity or credits owed
14 to the customer-generator for net generation of electricity shall be carried
15 forward until the end of each 12-month period. At the end of each 12-
16 month period, if the electricity generated by the eligible customer-gen-
17 erator during the 12-month period exceeds the electricity supplied by the
18 retail electric supplier during the same period, the eligible customer-
19 generator is a net electricity producer and the retail electric supplier shall
20 retain any excess kilowatt hours generated during the prior 12-month
21 period and shall compensate the customer-generator for such kilowatt
22 hours in an amount equal to at least 200% of the utility's avoided fuel
23 cost.

24 (4) The retail electric supplier shall provide every eligible customer-
25 generator with net electricity consumption information with each regular
26 bill. Such information shall include the current monetary balance owed
27 the retail electric supplier for net electricity consumed since the last 12-
28 month period ended. Notwithstanding any other provision of this section,
29 a retail electric supplier shall permit a customer-generator to pay monthly
30 for net energy consumed.

31 (5) If an eligible customer-generator terminates the customer rela-
32 tionship with the retail electric supplier, the retail electric supplier shall
33 reconcile the eligible customer-generator's consumption and production
34 of electricity during any part of a 12-month period following the last
35 reconciliation, according to the requirements set forth in this subsection,
36 except that such requirements shall apply only to the months since the
37 most recent 12-month bill.

38 (6) If a retail electric supplier providing net metering to a customer-
39 generator ceases providing electrical service to such customer during any
40 12-month period, and the customer-generator enters into a new net me-
41 tering contract or tariff with a new retail electric supplier, the 12-month
42 period, with respect to such new retail electric supplier, shall commence
43 on the date on which the new retail electric supplier first supplies electric

1 service to the customer-generator.

2 (f) A solar or wind turbine electrical generating system, or a hybrid
3 system of both, used by an eligible customer-generator shall meet all
4 applicable safety and performance standards established by the national
5 electrical code, the institute of electrical and electronics engineers and
6 accredited testing laboratories such as underwriters laboratories and,
7 where applicable, rules of the state corporation commission regarding
8 safety and reliability. A customer-generator whose solar or wind turbine
9 electrical generating system, or a hybrid system of both, meets such stan-
10 dards and rules shall not be required to install additional controls, perform
11 or pay for additional tests or purchase additional liability insurance.

12 Sec. 2. K.S.A. 2007 Supp. 66-1,184 is hereby amended to read as
13 follows: 66-1,184. (a) Except as provided in subsection (b), every public
14 utility which provides retail electric services in this state shall enter into
15 a contract for parallel generation service with any person who is a cus-
16 tomer of such utility, upon request of such customer, whereby such cus-
17 tomer may attach or connect to the utility's delivery and metering system
18 an apparatus or device for the purpose of feeding excess electrical power
19 which is generated by such customer's energy producing system into the
20 utility's system. No such apparatus or device shall either cause damage
21 to the public utility's system or equipment or present an undue hazard
22 to utility personnel. Every such contract shall include, but need not be
23 limited to, provisions relating to fair and equitable compensation on such
24 customer's monthly bill for energy supplied to the utility by such
25 customer.

26 (b) (1) For purposes of this subsection:

27 (A) "Utility" means an electric public utility, as defined by K.S.A. 66-
28 101a, and amendments thereto, any cooperative, as defined by K.S.A. 17-
29 4603, and amendments thereto, or a nonstock member-owned electric
30 cooperative corporation incorporated in this state, or a municipally owned
31 or operated electric utility;

32 (B) "school" means Cloud county community college and Dodge City
33 community college.

34 (2) Every utility which provides retail electric services in this state
35 shall enter into a contract for parallel generation service with any person
36 who is a customer of such utility, if such customer is a residential customer
37 of the utility and owns a renewable generator with a capacity of 25 kilo-
38 watts or less, or is a commercial customer of the utility and owns a re-
39 newable generator with a capacity of 200 kilowatts or less or is a school
40 and owns a renewable generator with a capacity of 1.5 megawatts or less.
41 Such generator shall be appropriately sized for such customer's antici-
42 pated electric load. A commercial customer who uses the operation of a
43 renewable generator in connection with irrigation pumps shall not request

1 more than 10 irrigation pumps connected to renewable generators be
2 attached or connected to the utility's system. At the customer's delivery
3 point on the customer's side of the retail meter such customer may attach
4 or connect to the utility's delivery and metering system an apparatus or
5 device for the purpose of feeding excess electrical power which is gen-
6 erated by such customer's energy producing system into the utility's sys-
7 tem. No such apparatus or device shall either cause damage to the utility's
8 system or equipment or present an undue hazard to utility personnel.
9 Every such contract shall include, but need not be limited to, provisions
10 relating to fair and equitable compensation for energy supplied to the
11 utility by such customer. Such compensation shall be not less than 100%
12 of the utility's monthly system average cost of energy per kilowatt hour
13 except that in the case of renewable generators with a capacity of 200
14 kilowatts or less, such compensation shall be not less than 150% of the
15 utility's monthly system average cost of energy per kilowatt hour. A utility
16 may credit such compensation to the customer's account or pay such
17 compensation to the customer at least annually or when the total com-
18 pensation due equals \$25 or more.

19 (3) *A customer-generator, as defined by section 1, and amendments*
20 *thereto, shall have the option of entering into a contract pursuant to this*
21 *subsection (b) or utilizing the provisions of section 1, and amendments*
22 *thereto. The customer-generator shall exercise the option in writing and*
23 *shall file it with the utility.*

24 (c) The following terms and conditions shall apply to contracts en-
25 tered into under subsection (a) or (b):

26 (1) The utility will supply, own, and maintain all necessary meters
27 and associated equipment utilized for billing. In addition, and for the
28 purposes of monitoring customer generation and load, the utility may
29 install at its expense, load research metering. The customer shall supply,
30 at no expense to the utility, a suitable location for meters and associated
31 equipment used for billing and for load research;

32 (2) for the purposes of insuring the safety and quality of utility system
33 power, the utility shall have the right to require the customer, at certain
34 times and as electrical operating conditions warrant, to limit the produc-
35 tion of electrical energy from the generating facility to an amount no
36 greater than the load at the customer's facility of which the generating
37 facility is a part;

38 (3) the customer shall furnish, install, operate, and maintain in good
39 order and repair and without cost to the utility, such relays, locks and
40 seals, breakers, automatic synchronizer, and other control and protective
41 apparatus as shall be designated by the utility as being required as suitable
42 for the operation of the generator in parallel with the utility's system. In
43 any case where the customer and the utility cannot agree to terms and

1 conditions of any such contract, the state corporation commission shall
2 establish the terms and conditions for such contract. In addition, the
3 utility may install, own, and maintain a disconnecting device located near
4 the electric meter or meters. Interconnection facilities between the cus-
5 tomer's and the utility's equipment shall be accessible at all reasonable
6 times to utility personnel. Upon notification by the customer of the cus-
7 tomer's intent to construct and install parallel generation, the utility shall
8 provide the customer a written estimate of all costs that will be incurred
9 by the utility and billed to the customer to accommodate the intercon-
10 nnection. The customer may be required to reimburse the utility for any
11 equipment or facilities required as a result of the installation by the cus-
12 tomer of generation in parallel with the utility's service. The customer
13 shall notify the utility prior to the initial energizing and start-up testing
14 of the customer-owned generator, and the utility shall have the right to
15 have a representative present at such test;

16 (4) the utility may require a special agreement for conditions related
17 to technical and safety aspects of parallel generation; and

18 (5) the utility may limit the number and size of renewable generators
19 to be connected to the utility's system due to the capacity of the distri-
20 bution line to which such renewable generator would be connected, and
21 in no case shall the utility be obligated to purchase an amount greater
22 than 4% of such utility's peak power requirements.

23 (d) Service under any contract entered into under subsection (a) or
24 (b) shall be subject to either the utility's rules and regulations on file with
25 the state corporation commission, which shall include a standard inter-
26 connection process and requirements for such utility's system, or the cur-
27 rent federal energy regulatory commission interconnection procedures
28 and regulations.

29 (e) In any case where the owner of the renewable generator and the
30 utility cannot agree to terms and conditions of any contract provided for
31 by this section, the state corporation commission shall establish the terms
32 and conditions for such contract.

33 (f) The governing body of any school desiring to proceed under this
34 section shall, prior to taking any action permitted by this section, make a
35 finding that either: (1) Net energy cost savings will accrue to the school
36 from such renewable generation over a 20-year period; or (2) that such
37 renewable generation is a science project being conducted for educational
38 purposes and that such project may not recoup the expenses of the project
39 through energy cost savings. Any school proceeding under this section
40 may contract or enter into a finance, pledge, loan or lease-purchase agree-
41 ment with the Kansas development finance authority as a means of fi-
42 nancing the cost of such renewable generation.

43 (g) For the purpose of meeting the governor's stated goal of produc-

1 ing 10% of the state's electricity by wind power by 2010 and 20% by 2020,
2 the parallel generation of electricity provided for in this section shall be
3 included as part of the state's energy generation by wind power.

4 Sec. 3. K.S.A. 2007 Supp. 66-1,184 is hereby repealed.

5 Sec. 4. This act shall take effect and be in force from and after its
6 publication in the statute book.