

HOUSE BILL No. 2949

By Committee on Federal and State Affairs

2-27

9 AN ACT concerning energy; enacting the Kansas energy plan act.

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11 WHEREAS, Energy plays a vital role in the Kansas economy; and

12 WHEREAS, The purpose of this energy plan for the state is the de-
13 velopment of a balanced energy approach, a plan which allows for con-
14 tinued development of all energy sources but is not driven by special
15 interests or energy crises; and

16 WHEREAS, According to data published by the Energy Information
17 Administration, the state's total supply of electricity is nearly equal to the
18 state's usage; and

19 WHEREAS, The State Corporation Commission reports in testimony
20 on February 20, 2008, that due to the aging of much of the base power
21 supply generation, it will be necessary to replace much of that generation
22 within the next 20 years; and

23 WHEREAS, This legislation is not a comprehensive plan but provides
24 a framework for future legislative action to move the state toward electric
25 energy sustainability and independence: Now, therefore,

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

28 Section 1. This act shall be known and may be cited as the Kansas
29 energy plan act.

30 Sec. 2. As used in this act:

31 (a) "Base-load generation" means dispatchable electric generation
32 which is expected to be operated at a capacity factor greater than 45%,
33 based on variable fuel costs. Base-load generation includes coal-fired
34 steam, nuclear and hydropower generation.

35 (b) "Capacity factor" means the amount of energy produced by a
36 generator in a year divided by the product of the nameplate capacity
37 rating of the generator times the number of hours in a year.

38 (c) "Intermediate-load generation" means dispatchable electric gen-
39 eration which is expected to be operated at a capacity factor between 30%
40 and 45%, based on variable fuel costs. Intermediate-load generation in-
41 cludes gas-fired combined cycle generation.

42 (d) "Intermittent-load generation" means electric generation which
43 has very low variable fuel costs and which cannot be dispatched because

1 the output is controlled by the natural variability of the energy resource.
2 Intermittent-load generation includes wind and solar energy generation.

3 (e) "Nameplate capacity" means the rating in megawatts of an electric
4 generator at 100% design conditions.

5 (f) "Peak-load generation" means dispatchable electric generation
6 which is expected to be operated at a capacity factor less than 30%, based
7 on variable fuel costs. Peak-load generation includes combustion turbine,
8 internal combustion engine and gas-fired steam generation.

9 Sec. 3. (a) The legislature adopts the following policies as the foun-
10 dation of the state energy plan:

11 (1) Encouragement of continued development of alternative and re-
12 newable energy;

13 (2) enactment of legislation implementing policies which will increase
14 the electric transmission infrastructure of the state;

15 (3) repeal of laws and public policies that restrict development of
16 domestic energy supplies, including, but not limited to, nuclear power
17 generation and domestic fossil fuel reserves;

18 (4) support for the southwest power pool and the Kansas electric
19 transmission authority in acquiring adequate transmission for electric
20 generation needs of the state;

21 (5) recognition that the age of the current electric generation capacity
22 will require it to be replaced within the next 20 years; and

23 (6) promotion of market driven solutions to electric generation needs
24 of the state.

25 (b) The state corporation commission shall annually submit a written
26 report to the senate committee on utilities and the house committee on
27 energy and utilities, on or before the beginning of the regular session of
28 the legislature beginning in 2009 on recommendations for legislative
29 changes needed to facilitate the state energy plan, the development of
30 clean burning coal technology and the progress of nuclear power gener-
31 ation in the country and state in particular.

32 Sec. 4. (a) For the year 2006, capacity available in this state from
33 base-load generation was 43,584 gigawatt hours.

34 (b) The total additional base-load generation capacity that will be
35 needed in this state by the year 2028 is projected to be 59,000 gigawatt
36 hours.

37 (c) The projected increase in demand for electricity over the next 20
38 years will require the phase in of the following increases in electric gen-
39 eration capacity in this state:

40 (1) For the years 2007 through 2015, based on a historical annual
41 growth rate of 1.3% per year, 4,416 gigawatt hours.

42 (2) Based on a projected annual growth rate of 1.6%:

43 (A) For the years 2016 through 2020, 4,000 gigawatt hours.

- 1 (B) For the years 2021 through 2025, 4,500 gigawatt hours.
2 (C) For the years 2026 through 2028, 2,500 gigawatt hours.
3 (d) The state, in accordance with the policies expressed in section 3,
4 and amendments thereto, shall take such actions as necessary to encour-
5 age the development of electric generation capacity in this state to meet
6 increases in demand for electricity over the next 20 years.
7 Sec. 5. (a) The present fuel mix for base-load generation in this state
8 is coal, 73%; nuclear, 21%; and natural gas, 4%.
9 (b) The state, in accordance with the policies expressed in section 3,
10 and amendments thereto, shall take such actions as necessary to encour-
11 age the following fuel mixes to be the source of base-load electric gen-
12 eration in this state:
13 (1) By the year 2020, coal, 70%; nuclear, 25%; and natural gas, 5%.
14 (2) By the year 2025, coal, 65%; nuclear, 30%; and natural gas, 5%.
15 (3) By the year 2028, coal, 60%; nuclear, 40%; and natural gas,
16 negligible.
17 Sec. 6. This act shall take effect and be in force from and after its
18 publication in the statute book.