

Powers and Duties of the Kansas Corporation Commission—Amendments; Senate Sub. for HB 2526

Senate Sub. for HB 2526 amends several statutes regarding energy and the powers and duties of the Kansas Corporation Commission (KCC). The bill provides explicit authority for the KCC to regulate hydraulic fracturing, imposes a time limit of 180 days for the KCC to act on applications for certificates of public convenience, broadens the definition of renewable energy resources in the Renewable Energy Standards Act to include storage connected to any renewable generation by means of energy storage equipment, and requires the KCC to annually determine and report the statewide retail rate impact of compliance with the Renewable Energy Standards Act.

Regulation of Hydraulic Fracturing

The bill gives the KCC explicit authority to promulgate rules and regulations necessary for the supervision and disclosure of any hydraulically fractured well. (Continuing law authorizes the KCC to promulgate rules and regulations for the construction, operation, and abandonment of any well and the protection of the usable water in this state from any well.)

Time Limit for Issuance of Certificate of Convenience

KSA 66-131 is amended to impose a 180-day time limit for the KCC to act on applications for certificates of public convenience. (Any common carrier or public utility that wishes to operate in Kansas is required to obtain such a certificate from the KCC.) Upon mutual agreement between the KCC and the carrier or utility, the deadline may be waived.

Energy Storage as a Renewable Resource

The bill broadens the definition of renewable energy resources in the Renewable Energy Standards Act. Energy storage connected to any renewable generation by means of energy storage equipment is considered a renewable resource for purposes of the Act. In addition, the bill removes prior limitations on the types of new hydropower that qualify as renewable energy resources.

This bill allows utilities to count energy produced by renewable sources and stored for later use toward the utility's net renewable generation capacity in order to comply with the renewable portfolio standards. (Utilities, except those owned by municipalities, are required to have net renewable generating capacity constituting a certain percentage of their peak demand.)

Statewide Retail Impact of Compliance with the Renewable Energy Standards Act

The bill amends KSA 66-1260 to require the KCC to annually determine the annual statewide retail rate impact that results from affected utilities meeting the renewable portfolio requirements of the Act. The KCC establishes the requirements for submission of necessary information either in rules and regulations or by order of the Commission.

The KCC is required to submit an annual report of the retail rate impact for the previous year to the Governor, the Senate Committee on Utilities, and the House Committee on Energy and Utilities by March 1 of each year, beginning in 2013.