

HOUSE BILL No. 2408

By Committee on Utilities

2-9

9 AN ACT concerning certain electric generation facilities; relating to con-
10 tracts for parallel generation services; amending K.S.A. 66-1,184 and
11 repealing the 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) "Electric cooperative utility" means a cooperative, as defined by
16 K.S.A. 17-4603, and amendments thereto, or a nonstock member-owned
17 electric cooperative corporation incorporated in this state.

18 (2) "Electric municipal utility" means an electric utility owned or op-
19 erated by a municipality.

20 (3) "Electric public utility" has the meaning provided by K.S.A. 66-
21 101a, and amendments thereto.

22 (4) "Eligible school" means a school which operates a wind genera-
23 tion facility having a capacity no greater than 125% of the average load
24 at the buildings and facilities which will use electricity generated by the
25 wind generation facility, to be determined as follows:

26 (A) For buildings and facilities in use for 24 months or more, by using
27 the average load during the immediate past 24 months at each such build-
28 ing or facility; and

29 (B) for buildings and facilities in use for less than 24 months, by using
30 the average load during the immediate past 24 months at a building or
31 facility of comparable construction, square footage and use.

32 (5) "School" means any unified school district or nonpublic school
33 accredited by the state board of education.

34 (6) "Wind generation facility" means a facility which generates elec-
35 tricity solely by use of wind energy resources and technology.

36 (b) Subject to the provisions of subsection (e), an electric cooperative
37 utility, electric public utility or electric municipal utility shall enter into a
38 contract for parallel generation service with any eligible school that is a
39 customer of such utility, upon request of such school, whereby such
40 school may attach or connect to the utility's delivery and metering system
41 an apparatus or device for the purpose of feeding excess electrical power
42 which is generated by such school's wind generation facility into the util-
43 ity's system. No such apparatus or device shall either cause damage to

1 the utility's system or equipment or present an undue hazard to personnel
2 of the utility. Every such contract shall include, but need not be limited
3 to, the following provisions:

4 (1) The utility shall compensate such school for electricity supplied
5 to such utility at a rate equal to such utility's per unit rate for electricity
6 sold to the school. The school shall pay a fixed monthly customer charge
7 equivalent to the utility's charges for distribution and transportation serv-
8 ices to other customers of the same customer class as the school. The
9 school shall compensate the utility for electricity supplied to the school
10 at the same per unit rate as other customers of the same customer class
11 as the school, less the amount of the fixed monthly customer charge. The
12 school's account with the utility shall be balanced and settled on an annual
13 basis, at which time any amount owed by the school or the utility shall
14 be paid.

15 (2) The school, at the school's expense, shall furnish, install, own,
16 operate and maintain in good order and repair: (A) All necessary meters
17 and associated equipment utilized for billing and for connection to the
18 utility's system; and (B) such relays, locks and seals, breakers, automatic
19 synchronizer and other control and protective apparatus as the utility
20 designates as being required for the operation of the generator in parallel
21 with the utility's system.

22 (3) The utility, at its expense, may install load research metering for
23 purposes of monitoring the school's generation and load and may install,
24 own and maintain a disconnecting device located near the electric meter
25 or meters.

26 (4) The school shall supply, at no expense to the utility, a suitable
27 location for meters and associated equipment used for billing and load
28 research.

29 (5) For purposes of insuring the safety and quality of the utility's
30 system power, the utility shall have the right to require the school, at
31 certain times and as electrical operating conditions warrant, to limit the
32 production of electrical energy from the school's wind generation facility
33 to an amount no greater than the load at the school's buildings and fa-
34 cilities which use electricity generated by the wind generation facility.

35 (6) Interconnection facilities between the school's and the utility's
36 equipment shall be accessible at all times to personnel of the utility.

37 (7) The school shall notify the utility prior to the initial energizing
38 and start-up testing of the school-owned generation facility and the utility
39 shall have the right to have a representative present at such test.

40 (8) Service under any such contract shall be subject to any rules and
41 regulations of the utility that are on file with the state corporation
42 commission.

43 (c) In addition to the provisions required by subsection (b), an electric

1 cooperative utility, electric municipal utility or electric public utility may
2 require a special agreement for conditions related to technical and safety
3 aspects of parallel generation.

4 (d) In any case where the school and an electric public utility cannot
5 agree to terms and conditions of any contract provided for by this section,
6 the state corporation commission shall establish the terms and conditions
7 for such contract.

8 (e) An electric cooperative utility, electric municipality or electric
9 public utility shall not be required to enter into a contract with a school
10 as provided by this section if the total capacity of all wind generation
11 facilities attached to the utility's system pursuant to this section, when
12 added to the capacity of such school's wind generation facility, would
13 exceed 5% of the utility's total wholesale and retail sales of electricity for
14 the preceding calendar year.

15 (f) Any school district may pay for construction and equipping of a
16 wind generation facility from the district's capital outlay fund, and may
17 levy a tax and issue general obligation bonds for that purpose, in the
18 manner authorized by the provisions of K.S.A. 72-8801 et seq., and
19 amendments thereto.

20 Sec. 2. K.S.A. 66-1,184 is hereby amended to read as follows: 66-
21 1,184. (a) Except as provided in subsection (b) *and section 1, and amend-*
22 *ments thereto*, every public utility which provides retail electric services
23 in this state shall enter into a contract for parallel generation service with
24 any person who is a customer of such utility, upon request of such cus-
25 tomer, whereby such customer may attach or connect to the utility's de-
26 livery and metering system an apparatus or device for the purpose of
27 feeding excess electrical power which is generated by such customer's
28 energy producing system into the utility's system. No such apparatus or
29 device shall either cause damage to the public utility's system or equip-
30 ment or present an undue hazard to utility personnel. Every such contract
31 shall include, but need not be limited to, provisions relating to fair and
32 equitable compensation on such customer's monthly bill for energy sup-
33 plied to the utility by such customer.

34 (b) (1) For purposes of this subsection, "utility" means an electric
35 public utility, as defined by K.S.A. 66-101a, and amendments thereto, any
36 cooperative, as defined by K.S.A. 17-4603, and amendments thereto, or
37 a nonstock member-owned electric cooperative corporation incorporated
38 in this state, or a municipally owned or operated electric utility.

39 (2) Every utility which provides retail electric services in this state
40 shall enter into a contract for parallel generation service with any person
41 who is a customer of such utility, if such customer is a residential customer
42 of the utility and owns a renewable generator with a capacity of 25 kilo-
43 watts or less, or is a commercial customer of the utility and owns a re-

1 newable generator with a capacity of 100 kilowatts or less. Such customer
2 may attach or connect to the utility's delivery and metering system an
3 apparatus or device for the purpose of feeding excess electrical power
4 which is generated by such customer's energy producing system into the
5 utility's system. No such apparatus or device shall either cause damage
6 to the utility's system or equipment or present an undue hazard to utility
7 personnel. Every such contract shall include, but need not be limited to,
8 provisions relating to fair and equitable compensation for energy supplied
9 to the utility by such customer. Such compensation shall be not less than
10 150% of the utility's monthly system average cost of energy per kilowatt
11 hour. A utility may credit such compensation to the customer's account
12 or pay such compensation to the customer at least annually or when the
13 total compensation due equals \$25 or more.

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

16 (1) The utility will supply, own, and maintain all necessary meters
17 and associated equipment utilized for billing. In addition, and for the
18 purposes of monitoring customer generation and load, the utility may
19 install at its expense, load research metering. The customer shall supply,
20 at no expense to the utility, a suitable location for meters and associated
21 equipment used for billing and for load research;

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

28 (3) the customer shall furnish, install, operate, and maintain in good
29 order and repair and without cost to the utility, such relays, locks and
30 seals, breakers, automatic synchronizer, and other control and protective
31 apparatus as shall be designated by the utility as being required as suitable
32 for the operation of the generator in parallel with the utility's system. In
33 any case where the customer and the utility cannot agree to terms and
34 conditions of any such contract, the state corporation commission shall
35 establish the terms and conditions for such contract. In addition, the
36 utility may install, own, and maintain a disconnecting device located near
37 the electric meter or meters. Interconnection facilities between the cus-
38 tomer's and the utility's equipment shall be accessible at all reasonable
39 times to utility personnel. The customer may be required to reimburse
40 the utility for any equipment or facilities required as a result of the in-
41 stallation by the customer of generation in parallel with the utility's serv-
42 ice. The customer shall notify the utility prior to the initial energizing and
43 start-up testing of the customer-owned generator, and the utility shall

- 1 have the right to have a representative present at such test; and
- 2 (4) the utility may require a special agreement for conditions related
- 3 to technical and safety aspects of parallel generation.
- 4 (d) Service under any contract entered into under subsection (a) or
- 5 (b) shall be subject to the utility's rules and regulations on file with the
- 6 state corporation commission.
- 7 (e) *The provisions of this section shall not apply to contracts for par-*
- 8 *allel generation services which are subject to the provisions of section 1,*
- 9 *and amendments thereto.*
- 10 Sec. 3. K.S.A. 66-1,184 is hereby repealed.
- 11 Sec. 4. This act shall take effect and be in force from and after its
- 12 publication in the statute book.