

## HOUSE BILL No. 2842

By Representative Yonally

2-7

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9 AN ACT concerning utilities; concerning a wind energy stimulus  
10 package.

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

13 Section 1. As used in this act the following terms shall have the  
14 meanings indicated below:

15 (a) "Plant owner" means any owner or operator of a wind energy  
16 facility;

17 (b) "electric public utility" has the meaning provided by K.S.A. 66-  
18 101a, and amendments thereto;

19 (c) "power purchase agreement" means a contract entered into by an  
20 electric public utility and a plant owner to purchase electricity from a  
21 wind energy facility; and

22 (d) "wind energy facility" means a facility which generates electricity  
23 solely by use of wind energy resources and technology.

24 Sec. 2. (a) An electric public utility shall be required to enter into at  
25 least a five-year power purchase agreement with a wind energy facility.

26 (b) The plant owner, prior to interconnection to the grid, shall be  
27 required to make necessary upgrades or additions to any portion of the  
28 grid requiring such modification pursuant to transmission studies per-  
29 formed in cooperation with southwest power pool. Any portion of such  
30 transmission costs shall not be passed on to ratepayers, directly or indi-  
31 rectly, beyond the energy costs which are specifically authorized by this  
32 act.

33 (c) If, at the end of the term of the initial power purchase agreement,  
34 the plant owner is unable to renew the power purchase agreement with  
35 the initial utility for a term that would equal a total of 15 years, the plant  
36 owner shall guarantee that the utility may sell the energy with the delivery  
37 point into the grid being the bus bar nearest to the wind energy facility,  
38 for a price not to exceed 95% of the prevailing average avoided fuel cost  
39 of the three utilities geographically closest to the interconnection point.

40 (d) If the plant owner needs a market beyond its initial power pur-  
41 chase agreement term, the available energy shall be sold on an as-pro-  
42 duced basis pro-rata to the utilities at a price not to exceed 95% of the  
43 utilities' respective avoided fuel cost from the prior calendar quarter.

1 Each utility obligated to accept a pro-rata portion of the total kilowatt-  
2 hour(kwh) of energy generated shall pay 5% less than the avoided fuel  
3 cost to be required to accept such energy.

4 (e) A premium of 1.8 cents per kilowatt-hour(kwh), indexed to infla-  
5 tion, shall be paid to the plant owner for any portion of the wind energy  
6 with a minimum of 10 megawatts that can be made available as firm  
7 dispatchable power when a large-scale energy storage facility, which shall  
8 include hydrogen, is built.

9 (f) Annually, an amount equal to either 4% of the energy purchased  
10 by a utility during the market availability period under this section, or  
11 80% of the amount of the discount below such utility's avoided fuel costs,  
12 shall be determined and such amount shall be remitted to the state board  
13 of education by such utility. All moneys received under this subsection  
14 shall be remitted by the state board of education to the state treasurer in  
15 accordance with the provisions of K.S.A. 75-4215, and amendments  
16 thereto. Upon receipt of each such remittance, the state treasurer shall  
17 deposit the entire amount in the state treasury to the credit of the state  
18 public education fund.

19 (g) The federal energy regulatory commission regional transmission  
20 organization shall govern and enforce the transaction set forth in this  
21 section.

22 (h) There is hereby established in the state treasury the state public  
23 education fund which shall be administered by the department of edu-  
24 cation. All expenditures from the state public education fund shall be for  
25 state aid for elementary and secondary education programs in state school  
26 districts. All expenditures from the state public education fund shall be  
27 made in accordance with appropriation acts upon warrants of the director  
28 of accounts and reports issued pursuant to vouchers approved by the state  
29 board of education or the board's designee.

30 Sec. 3. This act shall take effect and be in force from and after its  
31 publication in the statute book.