

SENATE BILL No. 284

By Committee on Ways and Means

2-24

9 AN ACT concerning energy efficiency and conservation programs; re-
10 lating to the state corporation commission and authorizing establish-
11 ment of a third party administrator program; establishing the third
12 party administrator program fund.
13

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

15 Section 1. (a) The intent of this act is to create an entity whose sole
16 purpose is to achieve reductions in energy use through increasing the
17 level of cost effective energy efficiency, conservation and education avail-
18 able to Kansas citizens.

19 (b) Notwithstanding any provision of law to the contrary, on or before
20 January 1, 2010, the state corporation commission shall establish an in-
21 dependent entity for the purpose of development, implementation and
22 monitoring of natural gas and electric energy efficiency, conservation and
23 education programs.

24 (c) The entity created pursuant to this section shall be organized as
25 a not-for-profit corporation. A third party administrator oversight board
26 shall be appointed by the state corporation commission and may include
27 representatives from electric and natural gas utilities, social service agen-
28 cies, charitable entities, experts in energy efficiency and conservation,
29 consumer representatives and other members the state corporation com-
30 mission deems appropriate to create balanced representation on the
31 board.

32 (d) The state corporation commission shall establish an equitable vol-
33 umetric charge to be paid by utility customers to support the programs
34 of the independent entity. Separate charges may be assessed to electric
35 and gas utility customers. The charge shall be known as the energy con-
36 servation and efficiency charge and shall be shown on each customer's
37 bill and shall be remitted by participating utilities to the third party ad-
38 ministrator program fund pursuant to section 2, and amendments thereto.
39 The funds generated by the energy conservation and efficiency charge
40 shall be in an amount equal to not less than ½ of 1% of the participating
41 utilities' retail revenue.

42 (e) The state corporation commission shall initially require partici-
43 pation in funding the entity by investor owned electric and natural gas

1 utilities. Customer owned cooperatives and municipal utilities may, but
2 shall not be required to, contribute to the third party administrator pro-
3 gram fund. A customer owned cooperative and municipal utility shall have
4 access to the services of the third party administrator only if such coop-
5 erative or municipal utility makes a contribution to the third party ad-
6 ministrator fund.

7 (f) The energy programs division of the state corporation commission
8 is authorized to develop guidelines for the entity including designing goals
9 and objectives, setting program priorities, developing program infrastruc-
10 ture and recommending appropriate staffing and budgets. The third party
11 administrator oversight board shall be responsible for making adjustments
12 to the goals and objectives, program priorities, infrastructure and budgets
13 established by such division when such board assumes responsibility for
14 oversight of the entity.

15 (g) The entity shall maximize the cost effectiveness of delivered en-
16 ergy conservation and efficiency programs and shall make efforts to main-
17 tain accountability for the programs delivered and the utilities and cus-
18 tomer classes providing funds to support program initiatives and market
19 strategies that address the needs of persons or businesses facing the most
20 significant barriers to participation. Salaries and administrative expenses
21 shall not exceed 15% of overall annual expenditures of the entity, except
22 that in the first three years of operation, salaries and administrative ex-
23 penses shall not exceed 50% of such expenditures.

24 (h) The state corporation commission shall require an independent
25 verification, on or before January 1, 2010, and on or before January 1,
26 every three years thereafter, by an independent auditor appointed by such
27 commission of the reported energy and capacity savings and cost-effect-
28 iveness of programs delivered by the entity established pursuant to this
29 section to administer energy conservation and efficiency programs.

30 (i) The third party administrator oversight board shall submit to the
31 chairperson, vice-chairperson and ranking minority member of the senate
32 committee on utilities and the house of representatives committee on
33 energy and utilities on or before the first day of the 2011 regular session
34 of the legislature and each ensuing regular session, a report detailing the
35 moneys collected, expenditures made, programs administered and the
36 energy savings achieved by the entity created pursuant to this section.

37 Sec. 2. (a) (1) There is hereby established the third party adminis-
38 trator program fund. Such fund shall be administered by a fund admin-
39 istrator, appointed by the third party administrator oversight board.

40 (2) Participating utilities shall remit the energy conservation and ef-
41 ficiency charge prescribed by subsection (d) of section 1, and amend-
42 ments thereto, to the third party administrator program fund at least
43 quarterly, which shall be deposited by the fund administrator in an in-

1 interest-bearing account or accounts in Kansas banks or Kansas savings and
2 loan associations until expended for the purposes prescribed in subsection
3 (b).

4 (3) The fund administrator is hereby authorized to accept and expend
5 any gifts and grants from any public or private source deposited in the
6 third party administrator program fund. The fund administrator shall
7 make payments from the third party administrator program fund to the
8 entity in accordance with the board's direction.

9 (b) The third party administrator oversight board shall be authorized
10 to expend moneys from the third party administrator program fund to
11 pay salaries and expenses necessarily incurred to implement the provi-
12 sions of section 1, and amendments thereto.

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