

HOUSE BILL No. 2420

By Committee on Energy and Utilities

1-12

9 AN ACT concerning energy; relating to energy efficiency programs.

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

12 Section 1. (a) For the purposes of this section:

13 (1) "Commission" means the state corporation commission.

14 (2) "Public utility" means any public utility defined in K.S.A. 66-104,
15 and amendments thereto, and includes any municipally owned or oper-
16 ated utility and any cooperative, as defined in K.S.A. 17-4603, and amend-
17 ments thereto, and any nonstock member-owned electric cooperative
18 corporation.

19 (b) Any public utility is hereby authorized to capitalize the reasonable
20 costs incurred in operation of energy efficiency programs including, but
21 not limited to, costs of equipment and personnel, and may earn a return
22 on any such costs equal to the rate of return fixed for the utility's other
23 investment in property found by the commission to be used or required
24 to be used in the utility's services to the public.

25 (c) The commission shall designate a third party who shall verify en-
26 ergy savings by the public utility on energy efficiency systems utilized by
27 the utility's customers. Such public utilities shall pay such expenses as-
28 sociated with third party verification, which shall be assessed against such
29 public utility by the commission.

30 (d) The commission shall require an annual audit of each public util-
31 ity's energy efficiency programs to determine the positive net benefit to
32 customers. The commission shall disallow any return on investment which
33 would otherwise be allowed pursuant to subsection (b) if the audit does
34 not show a positive net benefit to the public utility's customers over a
35 three-year period.

36 Sec. 2. This act shall take effect and be in force from and after its
37 publication in the statute book.