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MEMORANDUM

To:	Senate Committee on Utilities
From:	Office of Revisor of Statutes
Date:	February 5, 2025
Subject:	Senate Bill 81 – As Introduced

Senate Bill 81 would amend K.S.A. 66-101j which authorizes an electric public utility to implement discounted economic development electric rates for certain new or expanded large commercial or industrial facilities that do not provide retail goods or services directly to the general public. SB 81 would prohibit the provision of discounted economic development electric rates for certain facilities that will operate with a very high peak electric demand.

Overview of Economic Development Electric Rates Authorized Under K.S.A. 66-101j

K.S.A. 66-101j authorizes an electric public utility subject to regulation by the Kansas corporation commission to implement discounted economic development electric rates for certain new or expanded large commercial or industrial facilities that do not provide goods or services directly to the public. Generally, to qualify for such economic development electric rates, the facility must receive federal, state or local economic development incentives, not receive service under a residential or street lighting tariff, and not receive any other electric rate discount pursuant to another agreement with the utility.

Current law authorizes three different discounted economic development electric rate options that vary based on the electricity demand and load factor of the new or expanded facility. The chart attached to this memorandum summarizes the current economic development electric rate options that are authorized pursuant to K.S.A. 66-101j.

Senate Bill 81

Senate Bill 81 would prohibit a public utility from providing any such discounted economic development electric rates to certain facilities that will operate with a very high peak electric demand. Under SB 81, on and after January 1, 2025, a new facility would not be eligible to receive a discounted economic development electric rate if such facility is projected to have a peak demand of 40 MW or above within the first two years and the facility is either:

- Projected to have a full-time workforce of less than 200 employees; or
- Not receiving service pursuant to a data center or large load tariff.

If enacted, the provisions of SB 81 would take effect on July 1, 2025, upon publication in the statute book.

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Overview of Economic Development Electric Rates Authorized Pursuant to K.S.A. 66-101j		
Authorized Discount	**Discount Term**	**Facility Requirements**
Not to exceed an average annual discount of 20%	Five years	1. The facility that is projected to have a peak demand of 200kV within the first two years; and 2. The facility: A. Has an annual load factor that is projected to equal or exceed the utility's annual system load factor within the first two years; or B. Otherwise warrants a discounted rate based on new job growth, level of capital investment, additional peak usage, curtailable or interruptible load, new industry or technology, or competition with existing customers.
Not to exceed an average annual discount of 40%	Five years	1. The facility is projected to have a peak demand of 300kV within the first two years; 2. The facility has an annual load factor that is projected to be at least 55% within the first two years; and 3. Once achieved, the facility maintains such peak demand and load factor for the remainder of the discount period.
Not to exceed an average annual discount of 40% for the first five years and 20% for the final five years.	Ten years	1. The facility is projected to have a peak demand of 25 MW within the first two years; 2. The facility has an annual load factor that is projected to be at least 55% within the first two years; and 3. Once achieved, the facility maintains such peak demand and load factor for the remainder of the discount period. *Discounts provided under this qualification will sunset on December 31, 2030, except that a utility may apply and the KCC may authorize the utility to continue to implement such discounted rates until December 31, 2036.