

Substitute for HOUSE BILL No. 2149

AN ACT concerning distributed energy resources; requiring distributed energy system retailers to disclose certain information to customers who will construct, install and operate a distributed energy system; requiring the attorney general to convene an advisory group to establish a standard form for such disclosures and requiring publication thereof; requiring electric public utilities to disclose certain information to distributed energy retailers; providing criteria to determine appropriate system size for a customer's distributed energy system that is subject to parallel generation; establishing requirements for interconnection and operation of a distributed energy system; increasing the total capacity limitation for an electric public utility's provision of parallel generation service; establishing powers and limitations relating thereto; establishing notification requirements for when a system is no longer producing energy or the customer seeks to repair or rebuild a distributed energy system; amending K.S.A. 66-1,184 and 66-1268 and repealing the existing sections.

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

New Section 1. (a) As used in sections 1 through 3, and amendments thereto:

(1) "Distributed energy customer" means a property owner of a single-family dwelling or multifamily dwelling of two units or fewer and who is offered a contract from a distributed energy retailer for the construction, installation or operation of a distributed energy system that is primarily intended to offset the energy consumption of such single family or multifamily dwelling.

(2) "Distributed energy retailer" means any person or entity that sells, markets, solicits, advertises, finances, installs or otherwise makes available for purchase a distributed energy system in the state of Kansas.

(3) "Distributed energy system" means any device or assembly of devices and supporting facilities that is capable of feeding excess electrical power generated by a customer's energy producing system into the utility's system, such that all energy output and all other services will be fully consumed by the distributed energy customer or the utility, and that is or will be subject to an agreement under K.S.A. 66-1,184, 66-1263 et seq., and amendments thereto, or a net metering tariff that was voluntarily established by a utility.

(4) "Permission to operate" means the same as defined in K.S.A. 66-1,184, and amendments thereto.

(5) "Utility" means an electric public utility, as defined by K.S.A. 66-101a, and amendments thereto, any cooperative, as defined by K.S.A. 17-4603, and amendments thereto, an electric utility owned by one or more such cooperatives, a nonstock member-owned electric cooperative corporation incorporated in this state or a municipally owned or operated electric utility.

(b) No person or entity required to be registered with the secretary of state pursuant to the business entity standard treatment act, K.S.A. 17-1901 et seq., and amendments thereto, shall engage in the business or act in the capacity of a distributed energy retailer within this state unless such person or entity is registered with the secretary of state, in good standing and authorized to conduct business in the state.

(c) Prior to entering into a contract with a distributed energy customer for a distributed energy system, a distributed energy retailer shall provide such customer a separate disclosure document that:

- (1) Is written in at least 10-point font;
- (2) is written in the language that the distributed energy retailer used to speak to the distributed energy customer during the sales process or the language requested by such customer;
- (3) includes a description of the make and model of the distributed energy system's major components and the expected useful life of the distributed energy system;
- (4) includes a guarantee concerning the quantity of energy that the distributed energy system will generate on a measurable interval and a remedy if such system does not comply with such guarantee within one

year following the date the system received permission to operate;

(5) does not contain blank spaces that may be subsequently filled in with terms or conditions that materially affect the timing, value or obligation of the contract unless such terms and conditions are separately acknowledged in writing by the distributed energy customer;

(6) includes, in bold font and highlighted type, the total aggregate cost to the distributed energy customer that will be incurred over the entirety of the contract. Such total aggregate cost shall be separately acknowledged in writing by the distributed energy customer;

(7) includes a description of the ownership and transferability of any tax credits, rebates, incentives or renewable energy certificates in connection with the distributed energy system;

(8) includes the name and certification number of the individual certified by the north American board of certified energy practitioners who will oversee the permitting and installation of the distributed energy system or the name and license number of the master electrician or electrical contractor who will oversee the permitting and installation of the distributed energy system;

(9) provides a description of the process and all associated fees for transferring any financing, warranty or other agreements relating to the distributed energy system to a new owner;

(10) includes the name, phone number, email and mailing address of the person or entity that the distributed energy customer may contact for questions regarding performance, maintenance or repair of the distributed energy system;

(11) includes a description of the assumptions used for any savings estimates that were provided to the distributed energy customer and provides a description of the applicable utility billing structure that pertains to the distributed energy system. Such descriptions and assumptions shall include the same provisions as outlined in the standard form published by the attorney general pursuant to section 3, and amendments thereto;

(12) includes a statement that the distributed energy retailer shall provide the distributed energy customer proof that, within 30 days of completion of installation:

(A) All permits required for the installation of the distributed energy system were obtained prior to installation, if applicable;

(B) the distributed energy system was inspected and approved by a qualified individual pursuant to the requirements of any local municipal ordinance or county resolution;

(C) the necessary interconnection applications and documentation were submitted to and approved by the affected utility; and

(D) the distributed energy system received permission to operate;

(13) includes a statement that any recurring payments for a distributed energy system shall pause and not be due if such system does not receive permission to operate within 90 days of the date that the first recurring payment is due. Such recurring payments may resume at the time that such system receives permission to operate. Any payments due during any such pause shall either be forgiven or added to the end of the financing term and shall not incur any penalties for nonpayment during such term;

(14) includes a statement describing any rate escalation, balloon payment or potential reconfiguration of payment structure;

(15) includes a statement as to whether operations or maintenance services are included as part of the original contract price and whether the costs to remove, reinstall and repair the distributed energy system are included as part of the original contract price should the distributed energy system need to be removed, reinstalled or repaired due to natural causes or due to any exterior repair, replacement, construction or reconstruction work on the premises;

(16) includes a statement describing the expected start and completion dates for the installation of the distributed energy system;

(17) includes a statement indicating whether any warranty or maintenance obligations related to the distributed energy system may

be transferred by the distributed energy retailer to a third party and, if so, a statement that provides: "The maintenance and repair obligations under your contract may be assigned or transferred without your consent to a third party who, if required pursuant to state law, shall be registered with the secretary of state, in good standing and authorized to conduct business in the state and bound to all the terms of the contract. If a transfer occurs, you will be notified in writing of any change to the name, mailing address, email or phone number to use for questions and payments or to request system maintenance or repair";

(18) includes a statement indicating whether the distributed energy retailer shall place a lien, notice or other filing on or against real property as a result of the contract;

(19) includes a statement, in bold font and highlighted type, indicating whether the distributed energy retailer will impose any fees or other costs upon the distributed energy customer. If any such fees or other costs will be charged to the distributed energy customer, the aggregate total of such fees and other costs shall be provided and separately acknowledged in writing by the distributed energy customer;

(20) includes a statement in capital letters and bold font and highlighted type that states: "[name of distributed energy retailer] is not affiliated with any utility company or governmental agency and shall not claim any such affiliation"; and

(21) may include any additional information that the distributed energy retailer considers appropriate, only if such additional information is not intended to conceal or obscure the disclosures required pursuant to this section.

(d) The disclosure statement required pursuant to this section shall be signed and dated by the distributed energy customer at least one calendar day after the date that the contract for the distributed energy system was executed.

(e) (1) Any person or entity that violates the provisions of subsection (b) or any distributed energy retailer that fails to provide and perform the disclosures in the form and manner required pursuant to this section or that makes a materially misleading statement as a part of or when presenting such disclosures shall be liable for a civil penalty in an amount not to exceed \$10,000 for each such violation. Such violator shall be liable to the aggrieved person or distributed energy customer, or to the state, for the payment of such civil penalty. Such civil penalty shall be recoverable in an action brought by the aggrieved person or customer or the attorney general, county attorney or district attorney. Any such civil penalty shall be in addition to any other relief that may be granted pursuant to any other remedy available in law or equity.

(2) If a distributed energy retailer fails to comply with this section, any contract entered into between the distributed energy retailer and the distributed energy customer that pertains to the distributed energy system shall be deemed null and void.

(f) This section shall not apply to a transaction of real property on which a distributed energy system is already located.

(g) The provisions of this section shall take effect and be in force from and after July 1, 2025.

New Sec. 2. (a) To allow a distributed energy retailer to provide informed and accurate information to a distributed energy customer pursuant to section 1, and amendments thereto, upon request of any distributed energy retailer, a utility shall disclose all applications, rules, service standards, forms or other documents required for interconnection of a distributed energy system pursuant to K.S.A. 66-1,184 or 66-1263 et seq., and amendments thereto, or a net metering tariff that was voluntarily established by a utility, including the utility's historic amount of compensation per kilowatt hour for interconnected systems and the current compensation amount for such systems. Such historic amount of compensation shall be provided in a dollar amount and shown on a monthly or similar billing period basis for not less than the preceding five years.

(b) The provisions of this section shall take effect and be in force

from and after July 1, 2025.

New Sec. 3. (a) The attorney general shall appoint and convene an advisory group to collectively develop, approve and periodically revise a standard form that may be used by distributed energy retailers to perform and provide the the disclosures required pursuant to section 1, and amendments thereto. Such advisory group shall consist of the attorney general or the attorney general's designee, representatives from interested groups, including representatives of distributed energy retailers and utilities, one or more members of the general public who owns residential real property in this state, one or more assistant attorneys general and any other members that the attorney general considers necessary or appropriate.

(b) On or before July 1, 2025, the attorney general shall publish on the attorney general's website the most current version of the standard form that is developed and approved by the advisory group pursuant to this section.

Sec. 4. K.S.A. 66-1,184 is hereby amended to read as follows: 66-1,184. (a) *As used in this section:*

(1) *"Avoided cost" means the incremental cost to a utility of electric energy that such utility would generate itself or purchase from another source and as such term is interpreted by the federal energy regulatory commission from time to time.*

(2) *"Distributed energy system" means any device or assembly of devices and supporting facilities that are capable of feeding excess electric power generated by a customer's energy producing system into the utility's system, such that all energy output and all other services will be fully consumed by the customer or the utility.*

(3) *"Export" means power that flows from a customer's electrical system through such customer's billing meter and onto the utility's electricity lines. "Export" includes the sum of power on all phase conductors.*

(4) *"Interconnected" means a listed system that is designed to export power and attached or connected on the customer's side of the retail meter at the customer's delivery point.*

(5) *"Listed" means that the device or equipment has been tested and certified to meet the institute of electrical and electronics engineers safety standards that specifically pertain to the intended function of the device or equipment.*

(6) *"Locational marginal price" means the hourly average market price of alternating current energy per kilowatt hour established by the applicable locational marginal price pricing node of the southwest power pool.*

(7) *"Monthly system average cost of energy per kilowatt hour" means the sum of all volumetric costs incurred by an electric utility during a calendar month or similar billing period as billed to the utility by generation and transmission providers and any volumetric generation costs incurred by the utility to generate energy divided by the total amount of retail kilowatt-hours that the utility sold in such month or billing period.*

(8) *"Permission to operate" means the operational date of the customer's distributed energy system as determined by the utility.*

(9) *"Utility" means any electric public utility as defined in K.S.A. 66-101a, and amendments thereto, cooperative as defined in K.S.A. 17-4603, and amendments thereto, electric utility owned by one or more such cooperatives, nonstock member-owned electric cooperative corporation incorporated in this state or municipally owned or operated electric utility.*

(10) *"Witness test" means an authorized representative of the electric utility who measures or verifies a specific setting or operational condition.*

(b) ~~Except as provided in subsection (b), Except as otherwise provided in this section, every public utility which provides retail electric services in this state that provides retail electric service in this state shall enter into a contract for parallel generation service with any~~

person who is a customer ~~of in good standing with such utility, upon request of such customer, whereby that authorizes such customer may~~ to attach or connect to the utility's delivery and metering system ~~an apparatus or a listed device for the purpose of feeding exporting excess electrical power which is generated by such customer's distributed energy producing system into to the utility's system. No such apparatus or device shall either cause damage to the public utility's system or equipment or present an undue hazard to utility personnel. Every such contract shall include, but need not be limited to, provisions relating to fair and equitable compensation on such customer's monthly bill for energy supplied to the utility by such customer.~~

(b)(1) ~~For purposes of this subsection:~~

(A) ~~"Utility" means an electric public utility, as defined by K.S.A. 66-101a, and amendments thereto, any cooperative, as defined by K.S.A. 17-4603, and amendments thereto, or a nonstock member-owned electric cooperative corporation incorporated in this state, or a municipally owned or operated electric utility;~~

(B) ~~"school" means Cloud county community college and Dodge City community college.~~

(2) ~~Every utility which provides retail electric services in this state shall enter into a contract for parallel generation service with any person who is a customer of such utility, if such customer is a residential customer of the utility and owns a renewable generator with a capacity of 25 kilowatts or less, or is a commercial customer of the utility and owns a renewable generator with a capacity of 200 kilowatts or less or is a school and owns a renewable generator with a capacity of 1.5 megawatts or less. Such generator shall be appropriately sized for such customer's anticipated electric load. A commercial customer who uses the operation of a renewable generator in connection with irrigation pumps shall not request more than 10 irrigation pumps connected to renewable generators be attached or connected to the utility's system. At the customer's delivery point on the customer's side of the retail meter such customer may attach or connect to the utility's delivery and metering system an apparatus or device for the purpose of feeding excess electrical power which is generated by such customer's energy producing system into the utility's system. No such apparatus or device shall either cause damage to the utility's system or equipment or present an undue hazard to utility personnel.~~

(c) (1) *A utility may require any customer who is seeking to construct and install a distributed energy system to submit an application prior to any connection of the distributed energy system with the utility's system, notify the utility of the proposed distributed energy system and verify that such system is constructed, installed and operated in accordance with all applicable standards and codes.*

(2) *Any customer that submits an application to construct, install and operate a distributed energy system shall have the option to remain on a retail rate tariff that is identical to the same rate class for which such customer would otherwise qualify as a retail customer who is not otherwise receiving service under a parallel generation service tariff or net metering tariff.*

(3) *A utility shall provide written notice of receipt of any application submitted pursuant to this section to the applicant within 30 days following such receipt. A utility shall approve or deny any such application or a request for system certification pursuant to such an application within 90 calendar days following receipt of such application or request. If one or more additional studies are required, a utility shall not be subject to such 90-day deadline but shall provide the applicant with an estimated time frame for action on such application and act on such application as soon as practicable after any such studies are completed. If the utility denies such application or request, the utility shall provide to the applicant a list of the reasons for such denial and the corrective actions needed for approval.*

(4) *A utility may assess upon any customer requesting to install a distributed energy system:*

(A) *A fair and reasonable nonrefundable interconnection application fee;*

(B) *any applicable costs incurred by the utility for any study conducted to verify and allow the requested export capacity to be interconnected at the customer's point of delivery, including, but not limited to, costs incurred as a result of the southwest power pool's study processes; and*

(C) *costs associated with any related system upgrade costs, devices and equipment required to be furnished by the utility for the provision of accepting the requested export capacity.*

(d) (1) ~~Every such contract for parallel generation service shall include, but need not be limited to, provisions relating to fair and equitable compensation for energy supplied exported to the utility by such customer. Except as authorized pursuant to paragraph (4), such compensation shall be not less than 100% of the utility's monthly system average cost of energy per kilowatt hour except that in the case of renewable generators with a capacity of 200 kilowatts or less, such compensation shall be not less than 150% of the utility's monthly system average cost of energy per kilowatt hour not less than 100% of the utility's monthly avoided cost.~~

(2) ~~A utility may shall credit such compensation to the customer's account or pay such compensation to the customer at least annually or when the total compensation due equals \$25 or more.~~

(3) *A utility shall disclose to any customer the formula that the utility uses to determine the compensation that the utility provides pursuant to a contract for parallel generation service.*

(4) (A) *A utility may use locational marginal price or the monthly system average cost of energy per kilowatt hour to determine compensation for energy exported to the utility by the customer. Any such utility that uses locational marginal price or monthly system average cost of energy per kilowatt hour shall compensate the customer for the energy exported to the utility at least annually. Such compensation may be paid to such customer or credited to the customer's account. When determining compensation pursuant to this paragraph, in no case shall a utility issue an invoice for energy exported to the utility by the customer's distributed energy system. Upon the request of any customer who is subject to such locational marginal price compensation pursuant to this paragraph, the utility shall disclose the locational marginal price and the corresponding amount of energy exported to the utility by the customer's distributed energy system.*

(B) *The provisions of this paragraph shall expire on July 1, 2030.*

~~(3)(e)~~ (e) *A customer-generator of any investor-owned investor-owned utility shall have the option of entering into a contract pursuant to this subsection (b) section or utilizing the net metering and easy connection act. The customer-generator shall exercise the option in writing, filed with the utility.*

~~(e)(f)~~ (f) *The following terms and conditions shall apply to contracts entered into under subsection (a) or (b) for parallel generation service:*

(1) ~~The utility will supply shall furnish, own, and maintain, at the utility's expense, all necessary meters and associated equipment utilized for billing. In addition, and for the purposes of monitoring customer generation and load,;~~

(2) ~~the utility may install, at its the utility's expense, load research metering meters and equipment to monitor customer generation and load. The customer shall supply provide, at no expense to the utility, a suitable location for such meters and associated equipment used for billing and for load research;~~

~~(2)(3)~~ (3) *for the purposes of insuring ensuring the safety and quality of utility system power, the utility shall have the right to require the customer, at certain times and as electrical operating conditions warrant, to limit the production of electrical energy from the generating facility to an amount no greater than the load at the customer's facility of which the generating facility is a part;*

~~(3)(4) the customer shall furnish, install, operate, and maintain in good order and repair and without cost to the utility, such relays, locks and seals, breakers, automatic synchronizer, and other control and protective apparatus as shall be designated by the utility as being required as, at the customer's expense, a listed device that is suitable for the operation of the generator customer's distributed energy system in parallel with the utility's system. In any case where the customer and the utility cannot agree to terms and conditions of any such contract, the state corporation commission shall establish the terms and conditions for such contract. In addition,~~

(5) the utility may install, own, and maintain a disconnecting device located near the electric meter or meters; *or may require that a customer's distributed energy system contain a switch, circuit breaker, fuse or other device or feature that may be accessed by the utility at any time and would provide an authorized utility worker the ability to manually disconnect the customer's distributed energy system from the utility's electric distribution system;*

(6) interconnection facilities between the customer's and the utility's equipment shall be accessible at all reasonable times to utility personnel. ~~Upon notification by the customer of the customer's intent to construct and install parallel generation, the utility shall provide the customer a written estimate of all costs that will be incurred by the utility and billed to the customer to accommodate the interconnection. The customer may be required to reimburse the utility for any equipment or facilities required as a result of the installation by the customer of generation in parallel with the utility's service.;~~

(7) the customer shall notify the utility prior to the initial energizing and start-up testing of the customer-owned generator, and the utility shall have the right to have a representative present at such test *customer's distributed energy system;*

~~(4) the utility may require a special agreement for conditions related to technical and safety aspects of parallel generation; and~~

~~(5)(8) prior to granting permission to operate, the utility may require:~~

(A) *A witness test of the customer's distributed energy system and interconnection facilities;*

(B) *the customer to provide the certificate of inspection of the customer's distributed energy system completed pursuant to any municipal ordinance or code requirements or a certification from an electrician or electrical engineer licensed in this state that the system is installed according to applicable codes and standards; and*

(C) *the customer to provide documentation that the customer's distributed energy system was constructed and installed under the direction of a person who is certified by the north American board of certified energy practitioners or either a master electrician or electrical contractor licensed under the provisions of K.S.A. 12-1525 et seq., and amendments thereto;*

(9) *the utility may periodically require a witness test of the customer's distributed energy system and interconnection facilities throughout the provision of parallel generation service;*

(10) *the utility shall have the right and authority to disconnect and isolate a customer's distributed energy system without notice and at utility's sole discretion when:*

(A) *Electric service to a customer's premises is discontinued for any reason;*

(B) *adverse electrical effects, such as power quality problems, are occurring or are believed to be occurring on the utility's system or the electrical equipment of other utility customers;*

(C) *hazardous conditions on the utility's system are occurring or are believed to be occurring as a result of the operation of the distributed energy system or protective equipment;*

(D) *the utility identifies uninspected or unapproved equipment or modifications to the distributed energy system after initial approval;*

(E) *there is recurring abnormal operation, substandard operation*

or inadequate maintenance of the distributed energy system;

(F) the customer fails to remit payment to the utility for any amounts owed, including, but not limited to, amounts invoiced;

(G) the customer does not comply with the obligations of the interconnection agreement, except that, if such noncompliance is not an emergency situation, the utility shall give a customer 90 days to cure the noncompliance prior to disconnecting and isolating the distributed energy system; or

(H) such disconnection is necessary due to emergency or maintenance purposes. In the event that the utility disconnects the distributed energy system for maintenance, the utility shall make reasonable efforts to reconnect the distributed generating system as soon as practicable; and

(11) the customer shall retain the authority to temporarily disconnect such customer's distributed energy system from the utility's system at any time. Any such temporary disconnection shall not be construed as a customer's termination of the interconnection agreement without an express action to terminate such agreement pursuant to the terms and conditions of the agreement.

(g) The export capacity of a customer's renewable energy system shall be appropriately sized for such customer's anticipated electric load as follows:

(1) (A) Divide the customer's historic consumption in kilowatt-hours for the previous 12-month period by 8,760 and divide such quotient by a capacity factor of:

(i) 0.144 when such customer is in the service territory of an investor-owned utility; and

(ii) 0.288 when such customer is in the service territory of a cooperative as defined in K.S.A. 17-4603, and amendments thereto, an electric utility owned by one or more of such cooperatives, a nonstock member-owned electric cooperative corporation incorporated in this state or a municipally owned or operated electric utility; or

(B) if the customer does not have historic consumption data that adequately reflects the customer's consumption at such premises, the customer's historic consumption for the previous 12-month period shall be 7.15 kilowatt-hours per square foot of conditioned space; and

(2) round the amount determined pursuant to paragraph (1) up to the nearest one kilowatt alternating current power increment.

(h) (1) Except as provided in subsection (i), each utility shall, make parallel generation service available to customers who are in good standing with the utility, on a first-come, first-served basis, until the utility's aggregate export capacity from all distributed energy systems, including systems that are subject to a parallel generation service tariff established pursuant to this section and systems that are subject to a net metering tariff that was either voluntarily established by the utility or pursuant to K.S.A. 66-1263 et seq., and amendments thereto, equals or exceeds the following:

(A) Commencing on July 1, 2025, 6% of the utility's historic peak demand;

(B) commencing on July 1, 2026, 7% of the utility's historic peak demand; and

(C) commencing on July 1, 2027, and each year thereafter, 8% of the utility's historic peak demand.

(2) The utility may limit the ~~number and size~~ export capacity of ~~renewable generators~~ additional distributed energy systems to be connected to the utility's system due to the capacity of the distribution line to which such ~~renewable generator would~~ distributed energy system will be connected, ~~and in no case shall the utility be obligated to purchase an amount greater than 4% of such utility's peak power requirements.~~

(i) (1) A utility shall not be required to make parallel generation service available to any customer who has a new or expanded facility that receives electric service at a voltage of 34.5 kilovolts or higher and commences such electric service on or after July 1, 2025.

(2) *To determine a utility's historic peak demand for purposes of subsection (h), a utility's peak demand shall not include the additional demand of any new or expanded facility of an industrial, commercial or data center customer that receives electric service at a voltage of 34.5 kilovolts or higher and commences such electric service on or after July 1, 2025.*

(3) *The provisions of this subsection shall expire on July 1, 2026.*

(j) *For any customer with a distributed energy system:*

(1) *The customer shall own and maintain any necessary export-limiting device;*

(2) *protections shall be in place to restrict the export-limiting device settings to qualified persons;*

(3) *the utility shall have the option to require a witness test of the export-limiting device's functions or settings prior to granting permission to operate and at any time while the distributed energy system is connected to the utility's system;*

(4) *the export capacity of the system shall not be increased without prior approval of the utility;*

(5) *the customer shall allow the utility to perform periodic witness tests of the export-limiting device's functions or settings upon request;*

(6) *if the export-limiting device's functions or settings are incorrect or if the device fails to limit the export of power below the designed export capacity for more than 15 minutes in any single event, the customer shall cease operation of the system until repair or reprogramming of the export-limiting device is completed. For purposes of this subparagraph, the utility may require and conduct a witness test prior to authorizing the customer to resume operation of the system; and*

(7) *the utility shall not restrict the brand or model of the export-limiting device if the device is approved by the manufacturer of a listed distributed energy system or is listed to perform such operations in conjunction with the customer's system.*

~~(d)~~(k) (1) (A) *For a utility that is subject to the jurisdiction, regulation, supervision and control of the state corporation commission, service under any parallel generation service contract entered into under subsection (a) or (b) shall be subject to either the utility's rules and regulations on file with the state corporation commission, which shall include a standard interconnection process and requirements for such utility's system, or the current federal energy regulatory commission interconnection procedures and regulations.*

(B) *For a utility that is not subject to the jurisdiction, regulation, supervision and control of the state corporation commission, service under any parallel generation service contract shall be subject to the current federal energy regulatory commission interconnection procedures and regulations.*

~~(e)~~(2) *In any case where the owner of the renewable generator customer and the utility that is subject to the jurisdiction, regulation, supervision and control of the state corporation commission cannot agree to terms and conditions of any contract provided for by this section, the state corporation commission shall establish the terms and conditions for such contract.*

(l) *A utility shall not impose any additional fees, charges or requirements for the provision of parallel generation service unless expressly authorized pursuant to this section. Nothing in this section shall be construed to:*

(1) *Prohibit a utility from charging a distributed energy customer for the use of the utility's system; and*

(2) *authorize a utility to charge a distributed energy customer for power exported to the utility by such customer.*

(m) (1) *Any customer who has received approval from a utility to construct or operate a distributed energy system pursuant to this section shall notify the utility within 30 calendar days following the date that the construction has been canceled or the system is permanently shut down. Upon receipt of such notice, the utility shall*

cancel the parallel generation service contract with such customer.

(2) If a utility has reason to suspect that a customer's distributed energy system has been abandoned and is no longer producing energy, such utility may request verification from the customer that the system is still functioning, or that the customer has a reasonable plan to reenergize the system. If the customer fails to repair the system or provide a reasonable plan to complete such repairs within six months, the utility shall have the option to cancel the parallel generation service contract with such customer.

(3) Upon cancellation of any parallel generation service contract pursuant to this subsection, the utility shall not be obligated to refund any fees previously paid by the customer.

(n) (1) A customer shall have the right to repair or rebuild such customer's distributed energy system with listed equipment as long as such repair or rebuilding does not cause an increase in export capacity.

(2) If a customer repairs or replaces a distributed energy system, the customer shall notify the utility prior to such repair or replacement and provide proof that the new equipment complies with the same rules, regulations and approved capacity as the original installation. The utility shall have the right to require and conduct a witness test prior to authorizing operation of the system. A customer who repairs or replaces a system pursuant to this paragraph shall not be required to submit a new parallel generation service application to the utility.

(3) A customer shall not repair or replace a distributed energy system in a way that increases the export capacity of the system without providing prior notification to the utility. The utility may require the customer to submit a new parallel generation service application to include the new provisions and requirements relating to such system.

~~(f)~~*(o) (1) The governing body of any school desiring to proceed under this section shall, prior to taking any action permitted by this section, make a finding that either:*

~~(f)~~*(A) Net energy cost savings will accrue to the school from such renewable generation over a 20-year period; or*

~~(2)~~*(B) that such renewable generation is a science project being conducted for educational purposes and that such project may not recoup the expenses of the project through energy cost savings.*

(2) Any school proceeding under this section may contract or enter into a finance, pledge, loan or lease-purchase agreement with the Kansas development finance authority as a means of financing the cost of such renewable generation.

~~(g)~~*(p) Each kilowatt of nameplate capacity of the parallel generation of electricity provided for in this section shall count as 1.10 kilowatts toward the compliance of the affected utility, as defined in K.S.A. 66-1257, and amendments thereto, and with whom the customer-generator has contracted, with the renewable energy standards act in K.S.A. 66-1256 through 66-1262, and amendments thereto. Nothing in this section shall be construed to require any cooperative as defined in K.S.A. 17-4603, and amendments thereto, electric utility owned by one or more such cooperatives, nonstock member-owned electric cooperative corporation incorporated in this state or municipally owned or operated electric utility to opt in to or otherwise participate in any demand response or distributed energy resource aggregation programs.*

~~(h)~~*(q) The provisions of the net metering and easy connection act shall not preclude the state corporation commission from approving net metering tariffs upon request of an electric utility for other methods of renewable generation not prescribed in subsection (b)(1) of K.S.A. 66-1264(b)(1), and amendments thereto.*

Sec. 5. K.S.A. 66-1268 is hereby amended to read as follows: 66-1268. (a) Net metered facilities must meet all applicable safety, performance, interconnection and reliability standards established by the national electrical code, the national electrical safety code, the institute of electrical and electronics engineers, underwriters

laboratories, the federal energy regulatory commission and any local governing authorities. A utility may require that a customer-generator's system contain a switch, circuit breaker, fuse or other easily accessible device or feature located in immediate proximity to the customer-generator's metering equipment that would allow a utility worker the ability to manually and instantly disconnect the unit from the utility's electric distribution system.

(b) A utility may not require a customer-generator whose net metering facility meets the standards in subsection (a) to comply with additional safety or performance standards or perform or pay for additional tests or purchase additional liability insurance. A utility shall not be liable directly or indirectly for permitting or continuing to allow an attachment of a net metered facility or for the acts or omissions of the customer-generator that cause loss or injury, including death, to any third party.

(c) (1) Any customer-generator who has received approval from a utility to construct or operate a net metering facility shall notify the utility within 30 calendar days following the date that the construction has been canceled or the facility is permanently shut down. Upon receipt of such notice, the utility shall cancel the interconnection agreement with such customer.

(2) If a utility has reason to suspect that a customer-generator's facility has been abandoned and is no longer producing energy, such utility may request verification from the customer-generator that the facility is still functioning or that the customer-generator has a reasonable plan to reenergize the facility. If the customer-generator fails to repair the facility or provide a reasonable plan to complete such repairs within six months, the utility shall have the option to cancel the interconnection agreement with such customer-generator.

(3) Upon cancellation of any interconnection agreement pursuant to this subsection, the utility shall not be obligated to refund any fees previously paid by the customer-generator.

(d) (1) A customer-generator shall have the right to repair or rebuild such customer-generator's net metering facility that is subject to an interconnection agreement with listed equipment as long as such repair or rebuilding does not cause an increase in export capacity.

(2) If a customer-generator repairs or replaces a facility, the customer shall notify the utility prior to such repair or replacement and provide proof that the new equipment complies with the same rules, regulations and approved capacity as the original installation. The utility shall have the right to require and conduct a witness test prior to authorizing operation of the facility. A customer who repairs or replaces a facility pursuant to this paragraph shall not be required to submit a new net metering interconnection application to the utility.

(3) A customer-generator shall not repair or replace a facility system in a way that increases the export capacity of the system without providing prior notification to the utility. The utility may require the customer-generator to submit a new net metering interconnection application to include the new provisions and requirements relating to such facility.

Sec. 6. K.S.A. 66-1,184 and 66-1268 are hereby repealed.
Sec. 7. This act shall take effect and be in force from and after its publication in the Kansas register.

I hereby certify that the above BILL originated in the House, and passed that body

HOUSE concurred in
SENATE amendments _____

Speaker of the House.

Chief Clerk of the House.

Passed the SENATE
as amended _____

President of the Senate.

Secretary of the Senate.

APPROVED _____

Governor.