

SENATE Substitute for HOUSE BILL No. 2526

AN ACT concerning energy; relating to the state corporation commission, powers and duties; amending K.S.A. 55-152 and 66-131 and K.S.A. 2011 Supp. 66-1257 and 66-1260 and repealing the existing sections.

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

Section 1. K.S.A. 55-152 is hereby amended to read as follows: 55-152. (a) The commission shall adopt such rules and regulations necessary for the implementation of this act including provisions for the construction, operation and abandonment of any well and the protection of the usable water of this state from any actual or potential pollution from any well. *The commission may also promulgate rules and regulations necessary for the supervision and disclosure of any well on which a hydraulic fracturing treatment is performed.* Any such rules and regulations relating to wells providing cathodic protection to prevent corrosion to lines shall not preempt existing standards and policies adopted by the board of directors of a groundwater management district if such standards and policies provide protection of fresh water to a degree equal to or greater than that provided by such rules and regulations. No rules and regulations promulgated pursuant to this section shall be adopted by the commission until recommendations have been received from the advisory committee established by K.S.A. 55-153, and amendments thereto.

(b) The commission annually shall review current drilling methods, geologic formation standards, plugging techniques and casing and cementing standards and materials. Based on such review, the commission, if necessary, shall amend its rules and regulations to reflect any changes to be made in such methods, standards, techniques and materials from the previous year.

Sec. 2. K.S.A. 66-131 is hereby amended to read as follows: 66-131. (a) No common carrier or public utility, including that portion of any municipally owned utility defined as a public utility by K.S.A. 66-104, governed by the provisions of this act shall transact business in the state of Kansas until it shall have obtained a certificate from the corporation commission that public convenience will be promoted by the transaction of said business and permitting said applicants to transact the business of a common carrier or public utility in this state. In no event shall such jurisdiction authorize the corporation commission to review, consider or effect the facilities or rates charged for services or in any way the operation of such municipally owned or operated electric or gas utility within the corporate limits or outside but within three ~~(3)~~ miles of the corporate limits of any city, or facilities, or rates charged for services or in any way the operation of facilities or their replacements now owned by any such utility ~~except as provided in K.S.A. 66-131a.~~ No prescribed rates, orders or other regulatory supervision of the corporation commission shall be contrary to any lawful provision of any revenue bond ordinance authorizing the issuance of revenue bonds to finance all or any part of the municipally owned or operated electric or gas utility so subjected to the jurisdiction of the corporation commission. This section shall not apply to any common carrier or public utility governed by the provisions of this act now transacting business in this state, nor shall this section apply to the facilities and operations of any municipally owned or operated utility supplying electricity or gas outside of the corporate limits of any municipality where such facilities and operations are in existence on the effective date of this act, but any extension of such facilities or any new facilities located outside of and more than three ~~(3)~~ miles from the municipality's corporate limits, shall be subject to the requirements of this section, nor shall this section apply to any municipally owned or operated electric or gas utility furnishing electricity or gas to a facility owned or jointly owned by such municipality and located outside the corporate limits of such municipality.

(b) *The commission shall issue a decision on a common carrier or public utility's application for a certificate of public convenience within 180 days of receiving the application. Nothing in this subsection shall preclude an applicant and the commission from agreeing to a waiver or an extension of the 180-day period.*

Sec. 3. K.S.A. 2011 Supp. 66-1257 is hereby amended to read as follows: 66-1257. As used in the renewable energy standards act:

(a) "Affected utility" means any electric public utility, as defined in

K.S.A. 66-101a, and amendments thereto, but does not include any portion of any municipally owned or operated electric utility.

(b) “Commission” means the state corporation commission.

(c) “Net renewable generation capacity” means the gross generation capacity of the renewable energy resource over a four-hour period when not limited by ambient conditions, equipment, operating or regulatory restrictions less auxiliary power required to operate the resource, and refers to resources located in the state or resources serving ratepayers in the state.

(d) “Peak demand” means the demand imposed by the affected utility’s retail load in the state.

(e) “Renewable energy credit” means a credit representing energy produced by renewable energy resources issued as part of a program that has been approved by the state corporation commission.

(f) “Renewable energy resources” means net renewable generation capacity from:

- (1) Wind;
- (2) solar thermal sources;
- (3) photovoltaic cells and panels;
- (4) dedicated crops grown for energy production;
- (5) cellulosic agricultural residues;
- (6) plant residues;
- (7) methane from landfills or from wastewater treatment;
- (8) clean and untreated wood products such as pallets;
- (9) (A) existing hydropower;
- (B) new hydropower, ~~not including pumped storage, that has a nameplate rating of 10 megawatts or less;~~

(10) fuel cells using hydrogen produced by one of the above-named renewable energy resources; ~~and~~

(11) *energy storage that is connected to any renewable generation by means of energy storage equipment including, but not limited to, batteries, fly wheels, compressed air storage and pumped hydro; and*

~~(11)~~(12) other sources of energy, not including nuclear power, that become available after the effective date of this section, and that are certified as renewable by rules and regulations established by the commission pursuant to K.S.A. 2011 Supp. 66-1262, and amendments thereto.

Sec. 4. K.S.A. 2011 Supp. 66-1260 is hereby amended to read as follows: 66-1260. (a) (1) For each affected utility, the commission shall determine whether investment in renewable energy resources required to meet the renewable portfolio requirement, as required by K.S.A. 2011 Supp. 66-1258, and amendments thereto, causes the affected utility’s total revenue requirement to increase one percent or greater.

(2) *The commission shall annually determine the annual statewide retail rate impact shall be determined net of new nonrenewable alternative sources of electricity supply reasonably available at the time of the determination resulting from affected utilities meeting the renewable portfolio requirement.*

(b) *Submission of information pertaining to an affected utility’s portfolio requirement shall be determined by rules and regulations promulgated by the commission or by order of the commission.*

(c) *Beginning in 2013, on or before March 1 of each year, the commission shall submit a report of the annual statewide retail rate impact for the previous year to the governor, the senate committee on utilities and the house committee on energy and utilities.*

Sec. 5. K.S.A. 55-152 and 66-131 and K.S.A. 2011 Supp. 66-1257 and 66-1260 are hereby repealed.

Sec. 6. This act shall take effect and be in force from and after its publication in the statute book.

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.