

HOUSE BILL No. 2267

By Committee on Utilities

2-1

AN ACT concerning certain electric generation facilities; relating to contracts for parallel generation services; amending K.S.A. 66-1,184 and repealing the existing section.

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

New Section 1. (a) As used in this section:

(1) "Electric cooperative" means a cooperative, as defined by K.S.A. 17-4603, and amendments thereto, or a nonstock member-owned electric cooperative corporation incorporated in this state.

(2) "Electric public utility" has the meaning provided by K.S.A. 66-101a, and amendments thereto.

(3) "Eligible school" means a school which operates a wind generation facility having a capacity no greater than 125% of the average load at the buildings and facilities which will use electricity generated by the wind generation facility, to be determined as follows:

(A) For buildings and facilities in use for 24 months or more, by using the average load during the immediate past 24 months at each such building or facility; and

(B) for buildings and facilities in use for less than 24 months, by using the average load during the immediate past 24 months at a building or facility of comparable construction, square footage and use.

(4) "Municipal electric utility" means an electric utility owned or operated by a municipality.

(5) "School" means any unified school district or nonpublic school accredited by the state board of education.

(6) "Wind generation facility" means a facility which generates electricity solely by use of wind energy resources and technology.

(b) Subject to the provisions of subsection (e), an electric cooperative, electric public utility or municipal electric utility shall enter into a contract for parallel generation service with any eligible school that is a customer of such cooperative or utility, upon request of such school, whereby such school may attach or connect to the cooperative's or utility's delivery and metering system an apparatus or device for the purpose of feeding excess electrical power which is generated by such school's wind generation facility into the cooperative's or utility's system. No such apparatus or device

1 shall either cause damage to the cooperative's or utility's system or equip-
2 ment or present an undue hazard to personnel of the cooperative or
3 utility. Every such contract shall include, but need not be limited to, the
4 following provisions:

5 (1) The cooperative or utility shall compensate such school for elec-
6 tricity supplied to such cooperative or utility at a rate equal to such co-
7 operative's or utility's per unit rate for electricity sold to the school. The
8 school shall pay a fixed monthly customer charge equivalent to the co-
9 operative's or utility's charges for distribution and transportation services
10 to other customers of the same customer class as the school. The school
11 shall compensate the cooperative or utility for electricity supplied to the
12 school at the same per unit rate as other customers of the same customer
13 class as the school, less the amount of the fixed monthly customer charge.
14 The school's account with the cooperative or utility shall be balanced and
15 settled on an annual basis, at which time any amount owed by the school
16 or the cooperative or utility shall be paid.

17 (2) The school, at the school's expense, shall furnish, install, own,
18 operate and maintain in good order and repair: (A) All necessary meters
19 and associated equipment utilized for billing and for connection to the
20 cooperative's or utility's system; and (B) such relays, locks and seals, bre-
21 akers, automatic synchronizer and other control and protective apparatus
22 as the cooperative or utility designates as being required for the operation
23 of the generator in parallel with the cooperative's or utility's system.

24 (3) The cooperative or utility, at its expense, may install load research
25 metering for purposes of monitoring the school's generation and load and
26 may install, own and maintain a disconnecting device located near the
27 electric meter or meters.

28 (4) The school shall supply, at no expense to the cooperative or utility,
29 a suitable location for meters and associated equipment used for billing
30 and load research.

31 (5) For purposes of insuring the safety and quality of the cooperative's
32 or utility's system power, the cooperative or utility shall have the right to
33 require the school, at certain times and as electrical operating conditions
34 warrant, to limit the production of electrical energy from the school's
35 wind generation facility to an amount no greater than the load at the
36 school's buildings and facilities which use electricity generated by the
37 wind generation facility.

38 (6) Interconnection facilities between the school's and the coopera-
39 tive's or utility's equipment shall be accessible at all times to personnel
40 of the cooperative or utility.

41 (7) The school shall notify the cooperative or utility prior to the initial
42 energizing and start-up testing of the school-owned generation facility
43 and the cooperative or utility shall have the right to have a representative

1 present at such test.

2 (8) Service under any such contract shall be subject to any rules and
3 regulations of the cooperative or utility that are on file with the state
4 corporation commission.

5 (c) In addition to the provisions required by subsection (b), an electric
6 cooperative, municipal electric utility or electric public utility may require
7 a special agreement for conditions related to technical and safety aspects
8 of parallel generation.

9 (d) In any case where the school and an electric public utility cannot
10 agree to terms and conditions of any contract provided for by this section,
11 the state corporation commission shall establish the terms and conditions
12 for such contract.

13 (e) An electric cooperative, electric public utility or municipal electric
14 utility shall not be required to enter into a contract with a school as
15 provided by this section if the total capacity of all wind generation facilities
16 attached to the cooperative's or utility's system pursuant to this section,
17 when added to the capacity of such school's wind generation facility,
18 would exceed 5% of the cooperative's or utility's total wholesale and retail
19 sales of electricity for the preceding calendar year.

20 (f) Any school district may pay for construction and equipping of a
21 wind generation facility from the district's capital outlay fund, and may
22 levy a tax and issue general obligation bonds for that purpose, in the
23 manner authorized by the provisions of K.S.A. 72-8801 *et seq.*, and
24 amendments thereto.

25 Sec. 2. K.S.A. 66-1,184 is hereby amended to read as follows: 66-
26 1,184. (a) Every public utility which provides retail electric services in
27 this state shall enter into a contract for parallel generation service with
28 any person who is a customer of such utility, upon request of such cus-
29 tomer, whereby such customer may attach or connect to the utility's de-
30 livery and metering system an apparatus or device for the purpose of
31 feeding excess electrical power which is generated by such customer's
32 energy producing system into the utility's system. No such apparatus or
33 device shall either cause damage to the public utility's system or equip-
34 ment or present an undue hazard to utility personnel. Every such contract
35 shall include, but need not be limited to, provisions relating to fair and
36 equitable compensation on such customer's monthly bill for energy sup-
37 plied to the utility by such customer, and the following terms and con-
38 ditions: ~~(a)~~ (1) The utility will supply, own, and maintain all necessary
39 meters and associated equipment utilized for billing. In addition, and for
40 the purposes of monitoring customer generation and load, the utility may
41 install at its expense, load research metering. The customer shall supply,
42 at no expense to the utility, a suitable location for meters and associated
43 equipment used for billing and for load research; ~~(b)~~ (2) for the purposes

1 of insuring the safety and quality of utility system power, the utility shall
2 have the right to require the customer, at certain times and as electrical
3 operating conditions warrant, to limit the production of electrical energy
4 from the generating facility to an amount no greater than the load at the
5 customer's facility of which the generating facility is a part; ~~(e)~~ (3) the
6 customer shall furnish, install, operate, and maintain in good order and
7 repair and without cost to the utility, such relays, locks and seals, breakers,
8 automatic synchronizer, and other control and protective apparatus as
9 shall be designated by the utility as being required as suitable for the
10 operation of the generator in parallel with the utility's system. In any case
11 where the customer and the utility cannot agree to terms and conditions
12 of any such contract, the state corporation commission shall establish the
13 terms and conditions for such contract. In addition, the utility may install,
14 own, and maintain a disconnecting device located near the electric meter
15 or meters. Interconnection facilities between the customer's and the util-
16 ity's equipment shall be accessible at all ~~reasonable~~ times to utility per-
17 sonnel. The customer may be required to reimburse the utility for any
18 equipment or facilities required as a result of the installation by the cus-
19 tomer of generation in parallel with the utility's service. The customer
20 shall notify the utility prior to the initial energizing and start-up testing
21 of the customer-owned generator, and the utility shall have the right to
22 have a representative present at such test; and ~~(d)~~ (4) the utility may
23 require a special agreement for conditions related to technical and safety
24 aspects of parallel generation.

25 (b) Service under any ~~such~~ contract *provided for by this section* shall
26 be subject to the utility's rules and regulations on file with the state cor-
27 poration commission.

28 (c) *The provisions of this section shall not apply to contracts for par-*
29 *allel generation services which are subject to the provisions of section 1,*
30 *and amendments thereto.*

31 Sec. 3. K.S.A. 66-1,184 is hereby repealed.

32 Sec. 4. This act shall take effect and be in force from and after its
33 publication in the statute book.

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