

## HOUSE BILL No. 2646

By Committee on Utilities

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AN ACT concerning parallel generation of electric power; amending K.S.A. 2001 Supp. 66-1,184 and repealing the existing section.

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

Section 1. K.S.A. 2001 Supp. 66-1,184 is hereby amended to read as follows: 66-1,184. (a) Except as provided in subsection (b), every public 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, upon request of such customer, whereby 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 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, "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.

(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 100 kilowatts or less *than four megawatts*. 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. Every such contract shall include, but need

1 not be limited to, provisions relating to fair and equitable compensation  
2 for energy supplied to the utility by such customer. *Unless otherwise*  
3 *provided by the contract*, such compensation shall be, *at the customer's*  
4 *option, either: (A) Not less than 150% of the utility's monthly system*  
5 *average cost of energy per kilowatt hour; or (B) the average wholesale*  
6 *market rate for power during the six-hour period (midnight-6 a.m., 6 a.m.-*  
7 *noon, noon-6 p.m., 6 p.m.-midnight) when the customer's power is deliv-*  
8 *ered to the utility's system. Once the customer elects compensation under*  
9 *(A) or (B), the election cannot be changed.* A utility may credit ~~such~~ com-  
10 pensation pursuant to this subsection to the customer's account or pay  
11 such compensation to the customer at least annually or when the total  
12 compensation due equals \$25 or more.

13 (c) The following terms and conditions shall apply to contracts en-  
14 tered into under subsection (a) or (b):

15 (1) The utility will supply, own, and maintain all necessary meters  
16 and associated equipment utilized for billing. In addition, and for the  
17 purposes of monitoring customer generation and load, the utility may  
18 install at its expense, load research metering. The customer shall supply,  
19 at no expense to the utility, a suitable location for meters and associated  
20 equipment used for billing and for load research;

21 (2) for the purposes of insuring the safety and quality of utility system  
22 power, the utility shall have the right to require the customer, at certain  
23 times and as electrical operating conditions warrant, to limit the produc-  
24 tion of electrical energy from the generating facility to an amount no  
25 greater than the load at the customer's facility of which the generating  
26 facility is a part;

27 (3) the customer shall furnish, install, operate, and maintain in good  
28 order and repair and without cost to the utility, such relays, locks and  
29 seals, breakers, automatic synchronizer, and other control and protective  
30 apparatus as shall be designated by the utility as being required as suitable  
31 for the operation of the generator in parallel with the utility's system. In  
32 any case where the customer and the utility cannot agree to terms and  
33 conditions of any such contract, the state corporation commission shall  
34 establish the terms and conditions for such contract. In addition, the  
35 utility may install, own, and maintain a disconnecting device located near  
36 the electric meter or meters. Interconnection facilities between the cus-  
37 tomer's and the utility's equipment shall be accessible at all reasonable  
38 times to utility personnel. The customer may be required to reimburse  
39 the utility for any equipment or facilities required as a result of the in-  
40 stallation by the customer of generation in parallel with the utility's serv-  
41 ice. The customer shall notify the utility prior to the initial energizing and  
42 start-up testing of the customer-owned generator, and the utility shall  
43 have the right to have a representative present at such test; and

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

3 (d) Service under any contract entered into under subsection (a) or  
4 (b) shall be subject to the utility's rules and regulations on file with the  
5 state corporation commission.

6 Sec. 2. K.S.A. 2001 Supp. 66-1,184 is hereby repealed.

7 Sec. 3. This act shall take effect and be in force from and after its  
8 publication in the statute book.

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