

HOUSE BILL No. 2746

AN ACT concerning electricity; relating to retail electric service and station power; relating to revenues from certain sales of electricity generated from renewable resources or technologies and certain sales of renewable attributes; amending K.S.A. 66-1,170 and 66-1,173 and repealing the existing sections.

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

Section 1. K.S.A. 66-1,170 is hereby amended to read as follows: 66-1,170. As used in this act, ~~the following words and phrases shall have the meanings respectively ascribed to them herein:~~

(a) "Distribution line" means an electric line used to furnish retail electric service, including any line from a distribution substation to an electric consuming facility; but such term does not include a transmission facility used for the bulk transfer of energy *even if such energy is reduced in voltage and used as station power.*

(b) "Electric consuming facility" means any entity which utilizes electric energy from a central station service.

(c) "Commission" means the state corporation commission of the state of Kansas.

(d) "Retail electric supplier" means any person, firm, corporation, municipality, association or cooperative corporation engaged in the furnishing of retail electric service.

(e) "Certified territory" means an electric service territory certified to a retail electric supplier pursuant to this act.

(f) "Existing distribution line" means a distribution line which is in existence on the effective date of this act, and which is being or has been used as such.

(g) "Single certified service territory" means that service area in which only one retail electric supplier has been granted a service certificate by the commission.

(h) "Dual certified service territory" means that service area where more than one retail electric supplier has been granted a service certificate by the commission.

(i) *"Station power" means electric energy used for operating equipment necessary for the process of generating electricity at any generating plant owned by a utility or a generating plant specified in subsection (e) of K.S.A. 66-104, and amendments thereto, and placed in use on or after January 1, 2002, whether such electrical energy is generated at such generating plant or provided through the adjacent transformation and transmission interconnect, but does not include electric energy used for heating, lighting, air conditioning and office needs of the buildings at a generating plant site.*

Sec. 2. K.S.A. 66-1,173 is hereby amended to read as follows: 66-1,173. Every retail electric supplier shall have the exclusive right and responsibility to furnish retail electric service to all electric consuming facilities located within its certified territory, and shall not furnish, make available, render or extend its retail electric service to a consumer for use in electric consuming facilities located within the certified territory of another retail electric supplier. ~~Provided, That~~ *except that:*

(a) Any retail electric supplier, with the approval of the commission, may extend distribution or transmission facilities through the certified territory of another retail electric supplier, if such extension is necessary for such supplier to connect with any of its facilities or those of others to serve consumers within its own certified territory; *and*

(b) *station power shall not be deemed to be retail electric service for the purposes of this act.*

New Sec. 3. (a) As used in this section:

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

(2) "Renewable attributes" means tradeable renewable energy credits (with or without other features), tradeable emissions credits, emission offsets or other market instruments created or obtained by use of renewable energy resources or technologies.

(3) "Renewable resources or technologies" means wind, solar, thermal, photovoltaic, biomass, hydropower, geothermal, waste incineration and landfill gas resources or technologies located in Kansas.

(b) Upon application of an electric public utility, the state corporation commission may authorize such utility to:

(1) Retain 65% of the utility's net revenues from wholesale off-system sales of electricity generated from renewable resources or technologies

or from sales of renewable attributes if such electricity or attributes are purchased by the utility at not less than the average price paid by such utility for electricity or renewable attributes purchased pursuant to contracts of five or more years' duration; and

(2) retain 50% of the utility's net revenues from all other wholesale off-system sales of purchased electricity generated from renewable resources or technologies or from sales of purchased renewable attributes from renewable energy procured or constructed principally to serve Kansas retail customers.

Sec. 4. K.S.A. 66-1,170 and 66-1,173 are hereby repealed.

Sec. 5. 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 adopted
Conference Committee Report _____

Speaker of the House.

Chief Clerk of the House.

Passed the SENATE
as amended _____

SENATE adopted
Conference Committee Report _____

President of the Senate.

Secretary of the Senate.

APPROVED _____

Governor.