Session of 2006

HOUSE BILL No. 2844

By Representative Yonally

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AN ACT concerning electric generation; providing for net metering.

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

Section 1. (a) As used in this act:

(1) "Small photovoltaic system" means a solar powered generating system that uses an inverter rated at no more than 10kw alternating current (AC) power output and is primarily intended to offset part or all of a customer's current electricity requirements;

(2) "small wind turbine" means a wind powered generating system with a capacity of not more than 10kw and is primarily intended to offset part or all of a customer's current electricity requirements;

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

(4) "commission" means the state corporation commission;

(5) "net metering" means reimbursement to a customer with an on-site small photovoltaic system or small wind turbine by the electric public utility in an amount equal to the retail electric rate normally charged by the electric public utility; and

(6) "1% cap" means the total number of kilowatt hours (kwh) that the electric public utility is obligated to reimburse customers for under net metering but shall not exceed 1% of the total kwh sold by the utility in their service area in any calendar year.

(b) Each electric public utility, within 30 days of the effective date of this act, shall file for commission approval of a standard interconnection agreement for interconnecting a small photovoltaic system or small wind turbine. Where an electric public utility refuses to interconnect with a small photovoltaic system or small wind turbine customer or attempts to impose unreasonable standards or conditions, such customer may petition the commission for relief. The electric public utility shall have the burden of demonstrating to the commission why interconnection with a small photovoltaic system or small wind turbine should not be required or that the standards or conditions the electric public utility seeks to impose on the small photovoltaic system or small wind turbine are reasonable. The small photovoltaic system or small wind turbine standard interconnection agreement shall, at a minimum, contain the following:

(1) The 2005 list of installation standards for solar panels that address the design, installation and operation of the small photovoltaic system in the national electrical code handbook. The customer shall ensure compliance with such standards;

(2) a requirement that the small photovoltaic system or small wind turbine shall be inspected and approved by the electric public utility prior to its operation in parallel with the electric public utility;

(3) a requirement for general liability insurance for personal and property damage in the amount of not more than $100,000. A home owner's policy that furnishes at least this level of liability coverage will meet the requirement for insurance under this paragraph;

(4) identification of a reasonable charge for processing the application for interconnection;

(5) provisions that permit the electric public utility to inspect the small photovoltaic system or small wind turbine and its component equipment and the documents necessary to ensure compliance with subsections (b)(1) through (b)(4) of this section. The electric public utility has the right to have personnel present at the initial testing of customer equipment and protective apparatus; and

(6) a provision that the customer who operates the small photovoltaic system or small wind turbine is responsible for protecting its generating equipment, inverters, protection devices and other system components from damage from the normal and abnormal conditions and operations that occur on the electric public utility system in delivering and restoring system power and that the customer is responsible for ensuring that the small photovoltaic system or small wind turbine equipment is inspected, maintained and tested in accordance with the manufacturer's instructions to insure that it is operating correctly and safely.

(c) The small photovoltaic system or small wind turbine interconnection agreement may require the customer to:

(1) Install, at the customer's expense, a manual disconnect switch of the visible load break type to provide a separation point between the AC power output of the small photovoltaic system or small wind turbine and any customer wiring connected to the electric public utility's system. The manual disconnect switch shall be mounted separate from the meter socket and shall be readily accessible to the utility and capable of being locked in the open position with an electric public utility padlock. The electric public utility may open the switch, isolating the small photovoltaic system or small wind turbine, without prior notice to the customer, except that to the extent practicable, prior notice shall be given; and

(2) provide a written agreement to hold harmless and indemnify the electric public utility from all loss resulting from the operation of the small photovoltaic system or small wind turbine, except in those cases

where loss occurs due to the negligent actions of the electric public utility.

(d) The electric public utility shall provide the customer with written notice that it has received the documents required by the standard interconnection agreement within 10 business days of receipt. The customer shall not begin parallel operations until the customer has received this written notice.

(e) Any of the following conditions shall be cause for the electric public utility to disconnect the small photovoltaic system or small wind turbine from its system:

(1) Electric public utility system emergencies or maintenance requirements;

(2) hazardous conditions existing on the electric public utility system due to the operation of the customer's small photovoltaic system or small wind turbine generating or protective equipment as determined by the utility;

(3) adverse electrical effects on the electrical equipment of the electric public utility's other consumers caused by the small photovoltaic system or small wind turbine as determined by the electric public utility; or

(4) failure of the customer to maintain the required insurance.

The small photovoltaic system or small wind turbine shall be reconnected to the electric public utility grid as soon as practical once the conditions causing the disconnection cease to exist.

(f) The electric public utility may install an additional meter or metering equipment on the customer's premises capable of measuring any excess kwh produced by the small photovoltaic system or small wind turbine and delivered back to the electric public utility. The cost of the meter, installation, maintenance and any recurring or nonrecurring costs for reading and billing for this second meter shall be borne by the electric public utility. The value of such excess generation shall be credited to the customer's bill based on applicable tariffs approved by the commission. If the electric public utility does not install such a meter or metering equipment, the electric public utility shall permit the customer to net meter any excess power delivered to the electric public utility by use of a single standard watt-hour meter capable of reversing directions to offset recorded consumption by the customer. If the kwh of energy produced by the small photovoltaic system or small wind turbine exceeds the customer's kwh consumption for any billing period, such that when the meter is read the value displayed on the register is less than the value displayed on the register when it was read at the end of the previous billing period, the electric public utility shall carry forward credit for the excess energy to the next billing period. Credits may accumulate and be carried forward for a 12-month period specified by the electric public utility in the small photovoltaic system or small wind turbine interconnection agreement. In

no event shall the customer be paid for excess energy delivered to the electric public utility at the end of the 12-month period.

(g) In the case that the total number of kwh generated by net metering customers equals the 1% cap at any time during a calendar year, the electric public utility may begin reimbursing net metering customers at the rate of 150% of avoided fuel cost effective the following calendar month. An adjustment by the electric public utility to the reimbursement amount to all net metering customers is permitted on a pro rata basis to reflect a net payment of the retail rate up to the one percent cap and the avoided fuel cost rate for all kwh generated by net metering customers above the one percent cap.

(h) The provisions of K.S.A. 66-1,184, and amendments thereto, shall not apply to this act.

Sec. 2. This act shall take effect and be in force from and after its publication in the statute book.