

HOUSE BILL No. 2682

By Committee on Energy and Utilities

1-25

9 AN ACT concerning net metering; amending K.S.A. 2007 Supp. 66-
10 1,184 and repealing the existing section.

11

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

13 New Section 1. This act shall be known and may be cited as the net
14 metering and easy connection act.

15 New Sec. 2. As used in this act:

16 (a) "Avoided fuel cost" means the current average cost of fuel for the
17 entity generating electricity, as defined by the governing body with juris-
18 diction over any municipal electric utility, electric cooperative utility or
19 electric public utility.

20 (b) "Commission" means the state corporation commission.

21 (c) "Customer-generator" means the owner or operator of a qualified
22 electric energy generation unit which includes the following:

23 (1) Is powered by solar thermal sources or photovoltaic cells and
24 panels;

25 (2) has an electrical generating system with a capacity of not more
26 than 100 kilowatts;

27 (3) is located on a premises owned, operated, leased or otherwise
28 controlled by the customer-generator;

29 (4) is interconnected and operates in parallel phase and synchroni-
30 zation with a retail electric supplier and has been approved by such retail
31 electric supplier;

32 (5) is intended primarily to offset part or all of the customer-gener-
33 ator's own electrical energy requirements;

34 (6) meets all applicable safety, performance, interconnection and re-
35 liability standards established by the national electrical code, the national
36 electrical safety code, the institute of electrical and electronics engineers,
37 underwriters laboratories, the federal energy regulatory commission and
38 any local governing authorities; and

39 (7) contains a mechanism that automatically disables the unit and
40 interrupts the flow of electricity back onto the supplier's electricity lines
41 in the event that service to the customer-generator is interrupted.

42 (d) "Net metering" means using metering equipment sufficient to
43 measure the difference between the electrical energy supplied to a cus-

1 tomer-generator by a retail electric supplier and the electrical energy
2 supplied by the customer-generator to the retail electric supplier over the
3 applicable billing period.

4 (e) "Retail electric supplier" means any municipal electric utility,
5 electric cooperative utility or electric public utility which provides retail
6 electric service in this state.

7 New Sec. 3. A retail electric supplier shall:

8 (a) Make net metering available to customer-generators on a first-
9 come, first-served basis, subject to the following: (1) A supplier shall not
10 be required to make net metering available in a calendar year if total
11 rated generating capacity of all applications for interconnection already
12 approved by the supplier in the calendar year equals or exceeds 1% of
13 the supplier's single-hour peak load for the previous calendar year; and
14 (2) a supplier shall not be required to make net metering available to a
15 customer-generator if the total rated generating capacity of net metering
16 systems equals; (A) 5% of the supplier's single-hour peak load during the
17 previous year; or (B) such higher percentage as specified by the commis-
18 sion, for a public utility, or the governing body, for any other utility, once
19 the total rated generating capacity of net metering systems has reached
20 5% of the supplier's single-hour peak load during the previous year;

21 (b) offer to the customer-generator a tariff or contract that is identical
22 in electrical energy rates, rate structure and monthly charges to the con-
23 tract or tariff that the customer would be assigned if the customer were
24 not an eligible customer-generator but shall not charge the customer-
25 generator any additional standby, capacity, interconnection or other fee
26 or charge that would not otherwise be charged if the customer were not
27 an eligible customer-generator; and

28 (c) disclose annually the availability of the net metering program to
29 each of its customers with the method and manner of disclosure being at
30 the discretion of the supplier.

31 New Sec. 4. (a) A customer-generator's facility shall be equipped
32 with sufficient metering equipment that can measure the net amount of
33 electrical energy produced or consumed by the customer-generator. If
34 the customer-generator's existing meter equipment does not meet these
35 requirements or if it is necessary for the electric supplier to install addi-
36 tional distribution equipment to accommodate the customer-generator's
37 facility, the customer-generator shall reimburse the retail electric supplier
38 for the costs to purchase and install the necessary additional equipment.
39 At the request of the customer-generator, such costs may be initially paid
40 for by the retail electric supplier and any amount equal to not more than
41 the total costs plus a reasonable interest charge may be recovered from
42 the customer-generator over the course of not more than 12 billing cycles.
43 Any subsequent meter testing, maintenance or meter equipment change

1 necessitated by the customer-generator shall be paid for by the customer-
2 generator.

3 New Sec. 5. Consistent with the provisions in this act, the net elec-
4 trical energy measurement shall be calculated in the following manner:

5 (a) For a customer-generator, a retail electric supplier shall measure
6 the net electrical energy produced or consumed during the billing period
7 in accordance with normal metering practices for customers in the same
8 rate class, either by employing a single, bidirectional meter that measures
9 the amount of electrical energy produced and consumed or by employing
10 multiple meters that separately measure the customer-generator's con-
11 sumption and production of electricity.

12 (b) If the electricity supplied by the supplier exceeds the electricity
13 generated by the customer-generator during a billing period, the cus-
14 tomer-generator shall be billed for the net electricity supplied by the
15 supplier in accordance with normal practices for customers in the same
16 rate class.

17 (c) If the electricity generated by the customer-generator exceeds the
18 electricity supplied by the supplier during a billing period, the customer-
19 generator shall be billed for the appropriate customer charges for that
20 billing period in accordance with section 3, and amendments thereto, and
21 shall be credited an amount at least equal to the avoided fuel cost of the
22 excess kilowatt-hours generated during the billing period, with this credit
23 applied to the following billing period.

24 (d) Any credits granted pursuant to this section shall expire without
25 any compensation at the earlier of either 12 months after their issuance
26 or when the customer-generator disconnects service or terminates the
27 net metering relationship with the supplier.

28 (e) For any electric cooperative utility or municipal electric utility,
29 upon agreement of the wholesale generator supplying electric energy to
30 the retail electric supplier, at the option of the retail electric supplier, the
31 credit to the customer-generator may be provided by the wholesale
32 generator.

33 New Sec. 6. (a) Each qualified electric energy generation unit used
34 by a customer-generator shall meet all applicable safety, performance,
35 interconnection and reliability standards established by any local code
36 authorities, the national electrical code, the national electrical safety code,
37 the institute of electrical and electronics engineers and underwriters lab-
38 oratories for distributed generation. No supplier shall impose any fee,
39 charge or other requirement not specifically authorized by this act or the
40 rules and regulations promulgated under this act unless the fee, charge
41 or other requirement would apply to similarly situated customers who are
42 not customer-generators, except that a retail electric supplier may require
43 that a customer-generator's system contain a switch, circuit breaker, fuse

1 or other easily accessible device or feature located in immediate proximity
2 to the customer-generator's metering equipment that would allow a utility
3 worker the ability to manually and instantly disconnect the unit from the
4 utility's electric distribution system.

5 (b) For systems of 10 kilowatts or less, a customer-generator whose
6 system meets the standards specified by subsection (a) shall not be re-
7 quired to install additional controls, perform or pay for additional tests or
8 distribution equipment or purchase additional liability insurance beyond
9 what is required under subsection (a) and section 4, and amendments
10 thereto.

11 (c) For customer-generator systems of greater than 10 kilowatts, the
12 commission for public utilities and the governing body for other utilities,
13 by rule or equivalent formal action by each respective governing body,
14 shall:

15 (1) Set forth safety, performance and reliability standards and
16 requirements; and

17 (2) establish the qualifications for exemption from a requirement to
18 install additional controls, perform or pay for additional tests or distri-
19 bution equipment or purchase additional liability insurance.

20 New Sec. 7. (a) Applications by a customer-generator for intercon-
21 nection of the qualified generation unit to the distribution system shall
22 be accompanied by the plan for the customer-generator's electrical gen-
23 erating system, including, but not limited to, a wiring diagram and spec-
24 ifications for the generating unit, and shall be reviewed and responded
25 to by the retail electric supplier within 30 days after receipt for systems
26 of 10 kilowatts or less and within 90 days after receipt for all other systems.
27 Prior to the interconnection of the qualified generation unit to the sup-
28 plier's system, the customer-generator will furnish the retail electric sup-
29 plier a certification from a qualified professional electrician or engineer
30 that the installation meets the requirements of subsection (a) of section
31 6, and amendments thereto. If the application for interconnection is ap-
32 proved by the retail electric supplier and the customer-generator does
33 not complete the interconnection within one year after receipt of notice
34 of the approval, the approval shall expire and the customer-generator shall
35 be responsible for filing a new application.

36 (b) Upon the change in ownership of a qualified electric energy gen-
37 eration unit, the new customer-generator shall be responsible for filing a
38 new application under this section.

39 New Sec. 8. Each retail electric supplier regulated by the commis-
40 sion shall submit an annual net metering report to the commission and
41 each other retail electric supplier shall submit the same report to its re-
42 spective governing body. The report shall include the following infor-
43 mation for the previous calendar year: The total number of customer-

1 generator facilities, the total estimated generating capacity of its
2 net-metered customer-generators and the total estimated net kilowatt-
3 hours received from customer-generators. The supplier shall make such
4 report available to any consumer of the supplier upon request.

5 New Sec. 9. Within nine months after the effective date of this act,
6 the commission shall adopt rules and regulations necessary for the ad-
7 ministration of this act for electric public utilities, which shall include
8 rules and regulations ensuring that simple contracts will be used for in-
9 terconnection and net metering. For systems of 10 kilowatts or less, the
10 application process shall use an all-in-one document that includes a sim-
11 ple interconnection request, simple procedures and a brief set of terms
12 and conditions.

13 New Sec. 10. Within nine months after the effective date of this act,
14 the governing body of an electric cooperative utility or electric municipal
15 utility shall adopt policies establishing a simple contract to be used for
16 interconnection and net metering. For systems of 10 kilowatts or less, the
17 application process shall use an all-in-one document that includes a sim-
18 ple interconnection request, simple procedures and a brief set of terms
19 and conditions.

20 New Sec. 11. For any cause of action relating to any damages to
21 property or person caused by the generation unit of a customer-generator
22 or the interconnection thereof, the retail electric supplier shall have no
23 liability absent clear and convincing evidence of fault on the part of the
24 supplier.

25 New Sec. 12. The estimated generating capacity of all net metering
26 systems operating under the provisions of this act shall count towards the
27 respective retail electric supplier's accomplishment of any renewable en-
28 ergy portfolio target or mandate adopted by the Kansas legislature.

29 New Sec. 13. Any costs incurred under this act by a retail electric
30 supplier shall be recoverable in the utility's rate structure.

31 New Sec. 14. No consumer shall connect or operate an electric gen-
32 eration unit in parallel phase and synchronization with any retail electric
33 supplier without written approval by such supplier that all of the require-
34 ments under subsection (a) of section 7, and amendments thereto, have
35 been met. For a consumer who violates this provision, a supplier may
36 immediately and without notice disconnect the electric facilities of such
37 consumer and terminate such consumer's electric service.

38 New Sec. 15. The manufacturer of any electric generation unit used
39 by a customer-generator may be held liable for any damages to property
40 or person caused by a defect in the electric generation unit of a customer-
41 generator.

42 New Sec. 16. The seller, installer or manufacturer of any electric
43 generation unit who knowingly misrepresents the safety aspects of an

1 electric generation unit may be held liable for any damages to property
2 or person caused by the electric generation unit of a customer-generator.
3 Sec. 17. K.S.A. 2007 Supp. 66-1,184 is hereby amended to read as
4 follows: 66-1,184. (a) Except as provided in subsection (b), every public
5 utility which provides retail electric services in this state shall enter into
6 a contract for parallel generation service with any person who is a cus-
7 tomer of such utility, upon request of such customer, whereby such cus-
8 tomer may attach or connect to the utility's delivery and metering system
9 an apparatus or device for the purpose of feeding excess electrical power
10 which is generated by such customer's energy producing system into the
11 utility's system. No such apparatus or device shall either cause damage
12 to the public utility's system or equipment or present an undue hazard
13 to utility personnel. Every such contract shall include, but need not be
14 limited to, provisions relating to fair and equitable compensation on such
15 customer's monthly bill for energy supplied to the utility by such
16 customer.

17 (b) (1) For purposes of this subsection:
18 (A) "Utility" means an electric public utility, as defined by K.S.A. 66-
19 101a, and amendments thereto, any cooperative, as defined by K.S.A. 17-
20 4603, and amendments thereto, or a nonstock member-owned electric
21 cooperative corporation incorporated in this state, or a municipally owned
22 or operated electric utility;
23 (B) "school" means Cloud county community college and Dodge City
24 community college.

25 (2) Every utility which provides retail electric services in this state
26 shall enter into a contract for parallel generation service with any person
27 who is a customer of such utility, if such customer is a residential customer
28 of the utility and owns a renewable generator with a capacity of 25 kilo-
29 watts or less, or is a commercial customer of the utility and owns a re-
30 newable generator with a capacity of 200 kilowatts or less or is a school
31 and owns a renewable generator with a capacity of 1.5 megawatts or less.
32 Such generator shall be appropriately sized for such customer's antici-
33 pated electric load. A commercial customer who uses the operation of a
34 renewable generator in connection with irrigation pumps shall not request
35 more than 10 irrigation pumps connected to renewable generators be
36 attached or connected to the utility's system. At the customer's delivery
37 point on the customer's side of the retail meter such customer may attach
38 or connect to the utility's delivery and metering system an apparatus or
39 device for the purpose of feeding excess electrical power which is gen-
40 erated by such customer's energy producing system into the utility's sys-
41 tem. No such apparatus or device shall either cause damage to the utility's
42 system or equipment or present an undue hazard to utility personnel.
43 Every such contract shall include, but need not be limited to, provisions

1 relating to fair and equitable compensation for energy supplied to the
2 utility by such customer. Such compensation shall be not less than 100%
3 of the utility's monthly system average cost of energy per kilowatt hour
4 except that in the case of renewable generators with a capacity of 200
5 kilowatts or less, such compensation shall be not less than 150% of the
6 utility's monthly system average cost of energy per kilowatt hour. A utility
7 may credit such compensation to the customer's account or pay such
8 compensation to the customer at least annually or when the total com-
9 pensation due equals \$25 or more.

10 (3) *A customer-generator, as defined by section 1, and amendments*
11 *thereto, shall have the option of entering into a contract pursuant to this*
12 *subsection (b) or utilizing the net metering and easy connection act. The*
13 *customer-generator shall exercise the option in writing, filed with the util-*
14 *ity and shall not be entitled to change the option once it is filed.*

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

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

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

29 (3) the customer shall furnish, install, operate, and maintain in good
30 order and repair and without cost to the utility, such relays, locks and
31 seals, breakers, automatic synchronizer, and other control and protective
32 apparatus as shall be designated by the utility as being required as suitable
33 for the operation of the generator in parallel with the utility's system. In
34 any case where the customer and the utility cannot agree to terms and
35 conditions of any such contract, the state corporation commission shall
36 establish the terms and conditions for such contract. In addition, the
37 utility may install, own, and maintain a disconnecting device located near
38 the electric meter or meters. Interconnection facilities between the cus-
39 tomer's and the utility's equipment shall be accessible at all reasonable
40 times to utility personnel. Upon notification by the customer of the cus-
41 tomer's intent to construct and install parallel generation, the utility shall
42 provide the customer a written estimate of all costs that will be incurred
43 by the utility and billed to the customer to accommodate the intercon-

1 nection. The customer may be required to reimburse the utility for any
2 equipment or facilities required as a result of the installation by the cus-
3 tomer of generation in parallel with the utility's service. The customer
4 shall notify the utility prior to the initial energizing and start-up testing
5 of the customer-owned generator, and the utility shall have the right to
6 have a representative present at such test;

7 (4) the utility may require a special agreement for conditions related
8 to technical and safety aspects of parallel generation; and

9 (5) the utility may limit the number and size of renewable generators
10 to be connected to the utility's system due to the capacity of the distri-
11 bution line to which such renewable generator would be connected, and
12 in no case shall the utility be obligated to purchase an amount greater
13 than 4% of such utility's peak power requirements.

14 (d) Service under any contract entered into under subsection (a) or
15 (b) shall be subject to either the utility's rules and regulations on file with
16 the state corporation commission, which shall include a standard inter-
17 connection process and requirements for such utility's system, or the cur-
18 rent federal energy regulatory commission interconnection procedures
19 and regulations.

20 (e) In any case where the owner of the renewable generator and the
21 utility cannot agree to terms and conditions of any contract provided for
22 by this section, the state corporation commission shall establish the terms
23 and conditions for such contract.

24 (f) The governing body of any school desiring to proceed under this
25 section shall, prior to taking any action permitted by this section, make a
26 finding that either: (1) Net energy cost savings will accrue to the school
27 from such renewable generation over a 20-year period; or (2) that such
28 renewable generation is a science project being conducted for educational
29 purposes and that such project may not recoup the expenses of the project
30 through energy cost savings. Any school proceeding under this section
31 may contract or enter into a finance, pledge, loan or lease-purchase agree-
32 ment with the Kansas development finance authority as a means of fi-
33 nancing the cost of such renewable generation.

34 (g) For the purpose of meeting the governor's stated goal of produc-
35 ing 10% of the state's electricity by wind power by 2010 and 20% by 2020,
36 the parallel generation of electricity provided for in this section shall be
37 included as part of the state's energy generation by wind power.

38 Sec. 18. K.S.A. 2007 Supp. 66-1,184 is hereby repealed.

39 Sec. 19. This act shall take effect and be in force from and after its
40 publication in the statute book.