

SENATE BILL No. 217

By Committee on Utilities

2-5

9 AN ACT concerning electricity; relating to retail electric service and sta-
10 tion power; concerning state educational institutions authority to enter
11 into certain agreements concerning energy generation; amending
12 K.S.A. 66-1,170, 66-1,171, 66-1,172 and 66-1,175 and repealing the
13 existing sections.
14

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

16 Section 1. K.S.A. 66-1,170 is hereby amended to read as follows: 66-
17 1,170. As used in this act:

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

23 (b) "Electric consuming facility" means any entity which utilizes elec-
24 tric energy from a central station service.

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

27 (d) "Retail electric supplier" means any person, firm, corporation,
28 municipality, association or cooperative corporation engaged in the fur-
29 nishing of retail electric service. *Retail electric supplier shall not include*
30 *any person, firm, corporation, municipality, association or cooperative*
31 *corporation that furnishes wind-generated electricity only to a state ed-*
32 *ucational institution, pursuant to an agreement with such institution, ap-*
33 *proved by the Kansas board of regents in accordance with the provisions*
34 *of subsection (b) of K.S.A. 66-1,172, and amendments thereto, under*
35 *which the institution shall purchase or otherwise obtain wind-generated*
36 *electricity produced on property owned by such institution to supply*
37 *power to the campus of such institution for its operations.*

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

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

43 (g) "Single certified service territory" means that service area in

1 which only one retail electric supplier has been granted a service certifi-
2 cate by the commission.

3 (h) “Dual certified service territory” means that service area where
4 more than one retail electric supplier has been granted a service certifi-
5 cate by the commission.

6 (i) “Station power” means electric energy used for operating equip-
7 ment necessary for the process of generating electricity at any generating
8 plant owned by a utility or a generating plant specified in subsection (e)
9 of K.S.A. 66-104, and amendments thereto, and placed in use on or after
10 January 1, 2002, whether such electrical energy is generated at such gen-
11 erating plant or provided through the adjacent transformation and trans-
12 mission interconnect, but does not include electric energy used for heat-
13 ing, lighting, air conditioning and office needs of the buildings at a
14 generating plant site.

15 (j) “State educational institution” means any state educational insti-
16 tution, as defined in K.S.A. 76-711, and amendments thereto.

17 (k) “Wind generation facility” means an electrical generation facility
18 comprised of at least one wind turbine and accessory facilities, including,
19 but not limited to, power lines, transformers, substations and meteorolog-
20 ical towers that operate by converting the kinetic energy of wind into
21 electrical energy.

22 (l) “Wind-generated electricity” means electricity generated by a
23 wind generation facility.

24 Sec. 2. K.S.A. 66-1,171 is hereby amended to read as follows: 66-
25 1,171. It is hereby declared to be the public policy of this state to: (a)
26 Encourage the orderly development of retail electric service;

27 (b) avoid wasteful duplication of facilities for the distribution of
28 electricity;

29 (c) avoid unnecessary encumbrance of the landscape of the state;

30 (d) prevent waste of materials and natural resources;

31 (e) facilitate the public convenience and necessity; ~~and~~

32 (f) minimize disputes between retail electric suppliers which may re-
33 sult in inconvenience, diminished efficiency and higher costs in serving
34 the consumer; *and*

35 (g) *encourage the energy independence and efficiency of state edu-*
36 *cational institutions, including the examination and implementation of*
37 *policies, the long-term purpose of which is to stabilize or reduce such*
38 *institution’s energy costs and to allow such institution to purchase for its*
39 *own use electricity produced from wind generation facilities located on*
40 *property owned by the institution.*

41 In pursuing such public policy, it is the purpose of this act to provide
42 for the division of the state into territories within which retail electric
43 suppliers are to provide the retail electric service as provided in this act.

1 Sec. 3. K.S.A. 66-1,172 is hereby amended to read as follows: 66-
2 1,172. (a) Subject to the provisions of this act, the corporation commission
3 shall cause the state to be divided into electric service territories. Within
4 each such territory, only one retail electric supplier shall provide retail
5 electric service, and any such territory established for a retail electric
6 supplier pursuant to this section shall be certified to such retail electric
7 supplier by the commission and such area shall be provided retail electric
8 service exclusively by such supplier. Each retail electric supplier shall
9 continue to have the right to serve all customers being served by it on
10 the effective date of this act, except that such suppliers, by agreement
11 approved by the commission, may otherwise provide for electric service
12 to such customers.

13 (b) *Nothing in this section shall preclude a state education institution*
14 *from entering into an agreement with any person, firm, corporation, mu-*
15 *nicipality, association or cooperative corporation in which the state ed-*
16 *ucational institution purchases or obtains wind-generated electricity pro-*
17 *duced from wind generation facilities located on property owned by such*
18 *state educational institution, except that the state board of regents shall*
19 *not approve such agreement unless such board reviews the agreement and*
20 *passes a resolution including a finding that such agreement shall have the*
21 *long-term effect of stabilizing or reducing such institution's annual elec-*
22 *tricity expenses.*

23 Sec. 4. K.S.A. 66-1,175 is hereby amended to read as follows: 66-
24 1,175. Notwithstanding the exclusive right of retail electric suppliers to
25 provide service within the certified territories established pursuant to this
26 act, *and subject to the exception prescribed in subsection (b) of K.S.A. 66-*
27 *1,172, and amendments thereto, for wind generation facilities located on*
28 *property owned by state educational institutions*, a retail electric supplier
29 may enter into an agreement with another retail electric supplier for the
30 establishment of boundaries between territories other than the bounda-
31 ries established pursuant to this act or providing electric service to electric
32 consuming facilities as between such retail electric suppliers. Any agree-
33 ment entered into pursuant to this section shall be subject to approval by
34 the corporation commission. If so approved, the commission shall issue
35 certificates accordingly.

36 Sec. 5. K.S.A. 66-1,170, 66-1,171, 66-1,172 and 66-1,175 are hereby
37 repealed.

38 Sec. 6. This act shall take effect and be in force from and after its
39 publication in the statute book.