

SESSION OF 2014

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2458**

As Amended by House Committee on Energy  
and Environment

**Brief\***

HB 2458 would amend the Net Metering and Easy Connection Act. Net metering is the process under which persons who generate all or a portion of their own electricity from renewable resources (referred to as “customer-generators”) are able to sell excess generation back to the utility that serves their home or business. The bill would change the compensation amount and frequency for customer-generators who enter into an interconnect agreement with the utility after July 1, 2014.

The bill would specify the rate of compensation for the monthly net excess generation (NEG) credited to the customer-generator would be 150.0 percent of the utility’s monthly system average cost of energy per kilowatt hour.

**Background**

The bill was introduced by the House Committee on Energy and Environment. At the House Committee hearing, proponents of the bill were the Empire District Electric Company, KCP&L, and Westar Energy. Representatives of all proponents stated the new fee and compensation structures in the introduced version of the bill would allow for a more equitable distribution of the costs of the utilities between generating and non-generating customers. The current fee and compensation structures require a disproportionate

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

amount of the costs of the utilities to be borne by non-generating-customers.

Opponents of the bill that provided testimony were Alliance for Solar Choice, Brightergy, Cromwell Solar, Kansans for Clean Energy, Mid America Bank, Vote Solar Initiative, and two private citizens. Six private citizens submitted written-only testimony. Opponents of the bill asserted the change in fee and compensation structures in the introduced version of the bill would discourage individuals from installing and implementing renewable energy resources.

The Kansas Corporation Commission (KCC) provided written-only neutral testimony.

The House Committee on Energy and Environment amended the bill to do the following:

- Retain the existing statutes applicable to customer-generators who began operating a renewable energy resource under an interconnect agreement with a utility prior to July 1, 2014;
- Eliminate language that would have allowed the KCC to establish a separate tariff and fixed charges for customer-generators;
- Add provisions that would clarify the customer-generators' NEG would be based on monthly consumption; and
- Remove the provision that would require the credits to expire at the end of the calendar year for customer-generators who begin operating a renewable resource under an interconnect agreement with the utility on and after July 1, 2014.

The fiscal note prepared by the Division of the Budget on the bill, as introduced, indicated the passage of the bill would have no fiscal effect.