

STATE OF KANSAS

SENATE CHAMBER

MADAM PRESIDENT:

I move to amend **SB 82**, on page 2, in line 10, by striking the first comma and inserting ": (1) "Excessive costs to retail electric customers" means any investment in a renewable energy resource that results in a retail rate impact, as determined by the commission pursuant to K.S.A. 2012 Supp. 66-1260, and amendments thereto, that is greater than one percent more than a prudent investment in a nonrenewable energy resource needed to meet the utility's current demand; and

(2)";

Also on page 2, also in line 10, by striking "either"; by striking all in lines 11 through 13; in line 14, by striking "energy regulatory commission" and inserting "the highest quality transmission service offered to customers under a filed rate schedule that anticipates no planned interruption. "Firm transmission service" does not mean transmission service that is reserved on an as-available basis and is subject to curtailment or interruption";

Also on page 2, following line 16, by inserting:

"(f) (1) The commission shall open any dockets necessary to determine the availability of firm transmission service and the projected retail rate impact for affected utilities to satisfy the portfolio requirement. The commission shall make such a determination: (A) For the portfolio requirement described in subsection (a)(2), by January 1, 2016; and

(B) for the portfolio requirement described in subsection (a)(3), by January 1, 2020.

(2) As part of such study, the commission shall examine: (A) Electric rates in nearby states;

(B) the projected availability of federal production tax credits, or other comparable incentives for the generation of renewable energy resources, and the impact such credits could have on retail rates;

(C) the impact any federal laws, rules or regulations, including potential requirements such as a federal renewable portfolio standard or other regulations, could have on retail electric rates; and

(D) any federal requirements that impact the costs of the construction, maintenance or operation of nonrenewable energy resources.

(3) The commission shall report any findings of such dockets to the senate committee on utilities, the house committee on energy and environment and the house committee on utilities and telecommunications.

Sec. 2. K.S.A. 2012 Supp. 66-1260 is hereby amended to read as follows: 66-1260. (a) (1) For each affected utility, the commission shall determine whether investment in renewable energy resources required to meet the renewable portfolio requirement, as required by K.S.A. 2012 Supp. 66-1258, and amendments thereto, is a prudent expenditure and causes the affected utility's total revenue requirement to increase less than one percent or greater more than a prudent investment in a nonrenewable energy resource needed to meet the utility's current demand.

(2) The commission shall annually determine the annual statewide retail rate impact resulting from affected utilities meeting the renewable portfolio requirement. In determining the retail rate impact for an affected utility, the factors for the commission to examine shall include, but not be limited to, the costs incurred by Kansas retail customers for: (A) The construction, generation or acquisition of electricity generated from renewable energy resources or the purchase of renewable energy credits;

(B) the costs of construction, operation and maintenance of any generation used to support a renewable energy resource; and

(C) any transmission lines needed to move electricity from renewable energy resources to retail customers and the transmission line losses incurred on such transmission lines.

(b) Submission of information pertaining to an affected utility's portfolio requirement shall be

determined by rules and regulations promulgated by the commission or by order of the commission.

(c) Beginning in 2013, on or before March 1 of each year, the commission shall submit a report of the annual statewide retail rate impact for the previous year to the governor, the senate committee on utilities ~~and~~, the house committee on energy and ~~utilities~~ environment and the house committee on utilities and telecommunications.

Sec. 3. K.S.A. 2012 Supp. 66-1261 is hereby amended to read as follows: 66-1261. (a) The commission shall establish rules and regulations for the administration of the renewable energy standards act, including reporting and enforcement mechanisms necessary to ensure that each affected utility complies with this standard and other provisions governing the imposition of administrative penalties assessed after a hearing held by the commission. Administrative penalties should be set at a level that will promote compliance with the renewable energy standards act, and shall not be limited to penalties set forth in K.S.A 66-138 and 66-177, and amendments thereto.

(b) For the calendar years 2011 and 2012, the commission is not required to assess penalties if the affected utility can demonstrate it made a good faith effort to comply with the portfolio standards requirement. The commission shall exempt an affected utility from administrative penalties for an individual compliance year if the utility demonstrates that the retail rate impact described in K.S.A. 2012 Supp. 66-1260, and amendments thereto, has been reached or exceeded, or if the costs such utility would have incurred in complying with the portfolio requirement for that year were deemed by the commission to not be prudent and the utility has not achieved full compliance with K.S.A. 2012 Supp. 66-1258, and amendments thereto. In imposing penalties, the commission shall have discretion to consider mitigating circumstances. Under no circumstances shall the costs of administrative penalties be recovered from Kansas retail customers.

(c) The commission shall establish rules and regulations required in this section within 12 months of the effective date of this act.";

Also on page 2, in line 17, by striking "is" and inserting ", 66-1260 and 66-1261 are";

On page 1, in the title, in line 2, after "66-1258" by inserting ", 66-1260 and 66-1261"; in line 3, by striking "section" and inserting "sections"

Senator _____