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REVISOR of STATUTES

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MEMORANDUM

To: House Committee on Energy, Utilities and Telecommunications
From: Office of Revisor of Statutes
Date: February 7, 2023
Subject: House Bill 2227 – Bill Brief

Section 1

House Bill 2227 would authorize any retail customer of a public utility to enter into a power purchase agreement with a renewable energy supplier to install an eligible renewable energy generation facility on the premises that is owned, operated, leased or controlled by such retail customer. The power purchase agreement authorized by this bill would set forth terms and conditions for a renewable energy supplier to install, own and operate an eligible generation facility while the customer agrees to purchase the electricity produced from such system from the renewable energy supplier to finance the costs of the project.

An eligible generation facility would include any solar power or wind turbine generation that is located on the premises owned, operated, leased or otherwise controlled by the host customer and is designed to offset part or all of the host-customer generator's electrical energy requirements.

Section 2

Section 2 would amend K.S.A. 66-104 to exempt renewable energy suppliers and the provision of power pursuant to a power purchase agreement in accordance with Section 1 from public utility regulation under state law.

Section 3

Section 3 would amend K.S.A. 66-1,170 to exempt renewable energy suppliers and the sales of power pursuant to a power purchase agreement in accordance with Section 1 from the provisions of the retail electric suppliers act which requires the establishment of electric public

utility service areas in which only one utility per certificated service area may provide retail electric service.

Section 4

Section 4 would amend K.S.A. 66-1,184 relating to parallel generation interconnections with electric public utilities. Under current law, every electric public utility that provides retail electric service is required provide parallel generation service and interconnect a customer's renewable energy system with the utility. Such agreements and interconnections are subject to the requirements and limitations imposed under the parallel generation law.

HB 2227 would include the renewable energy systems installed pursuant to a power purchase agreement under Section 1 within the parallel generation law to require electric public utilities to offer parallel generation service and interconnect such renewable systems within the utility's service area.

HB 2227 would add entities who may interconnect their renewable energy system with the electric public utility under a parallel generation service agreement. Currently, parallel generation is required for residential customers up to a 25 kW system capacity, commercial customers up to 200 kW, and to Cloud County Community College and Dodge City Community College, up to 1.5 MW. HB 2227 would require electric public utilities to also interconnect any religious organization, hospital or any other public or private school or college in the state up to 1.5 MW, and any military installation with no size limitation. Under current law and HB 2227, each customer is required to appropriately size the renewable generator to such customer's anticipated electric load.

Section 5

Section 5 of HB 2227 would amend K.S.A. 66-1264 relating to renewable energy system interconnection within any investor-owned electric public utility territory pursuant to net-metering. HB 2227 would include the renewable energy systems installed pursuant to a power purchase agreement under Section 1 within the net-metering interconnection law to require investor-owned public utilities to provide net-metering interconnection agreements to customers with such renewable energy systems.