

SESSION OF 2014

**SUPPLEMENTAL NOTE ON SENATE SUBSTITUTE FOR  
HOUSE BILL NO. 2014**

As Recommended by Senate Committee on  
Utilities

**Brief\***

Senate Sub. for HB 2014 would repeal the Renewable Energy Standards Act, which provides in statute that the net renewable generation capacity must constitute at least a certain percentage of a utility's peak demand by a certain date (10 percent by 2015; 15 percent by 2019; and 20 percent by 2020). The bill also would remove the renewable generation capacity requirements for cooperatives organized under the Electric Cooperative Act.

In addition, the bill would add the definitions to the Net Metering and Easy Connection Act for "peak demand" and "renewable energy resources" that would be eliminated as part of the repeal of the Renewable Energy Standards Act.

The bill would require the Kansas Corporation Commission (KCC) to establish rules and regulations for administering a certification process for use of renewable energy resources. Criteria for the certification process would be determined by factors that include, but are not limited to, fuel type; technology; and environmental impacts of renewable energy resources. Use of renewable energy resources would not be allowed to cause undue or adverse air, water, or land use impacts.

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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>

## **Background**

The Senate Committee on Utilities deleted the provisions of HB 2014, as amended by the House Committee on Judiciary, which would amend the law concerning revocation of inheritance rights upon divorce or annulment of a marriage, and inserted the contents of SB 433 into the bill and recommended a substitute bill. The Senate Committee on Judiciary passed HB 2014 during the 2013 Legislative Session; however, the bill was removed from the calendar and referred to the Senate Committee on Interstate Cooperation at the beginning of the 2014 Session. The bill was later referred to the Senate Committee on Utilities.

SB 433 was introduced by the Committee on Ways and Means. At the Senate Committee hearing on the bill, proponents included representatives of Americans for Prosperity; Kansans for Liberty; Kansas Chamber of Commerce; and a private citizen. The Institute for Energy Research and the Kansas Livestock Association also provided written testimony in favor of the bill. The proponents stated the renewable energy standard passed the Legislature in 2009 because it was part of a deal struck between the Governor and the Legislature regarding the licensing for the proposed Holcomb power plant. In addition, proponents stated that since passage of the renewable energy standard, electricity rates have increased 22 percent.

Opponents to the bill included representatives of Dodge City/Ford County Development Corporation; EDP Renewables; Hutchinson/Reno County Chamber of Commerce; Infinity Wind Power; Kansans for Clean Energy; Kansans for Wind Energy; Kingman County Commission; Siemens; The Wind Coalition; TradeWind Energy; and a private citizen. Written testimony in opposition to the bill was submitted by EDF Renewable Energy; Enel Green Power; Greater Kansas City Chamber of Commerce; Harvey County Council of Governments; Heartland Renewable Energy Society; Iberdrola Renewables; Invenergy; ITC Great Plains; Sprint; and three private citizens.

The opponents provided an overview of the economic impact across the state made by wind farms and the companies associated with wind generation. In addition, the opponents cited information by the KCC that states since the inception of the renewable energy standard in Kansas, the compliance with the standards only accounts for an increase in rates of 0 to 1.7 percent, specifically 0.16 cents per kilowatt hour of the approximately 9.2 cents per kilowatt hour retail electricity cost in 2013.

Sunflower Electric Power Corporation provided neutral testimony on the bill, stating the Corporation is not publicly or privately advocating the repeal of the renewable energy standard for Kansas. Additionally, Kansas Farm Bureau provided written neutral testimony on the bill.

The fiscal note on SB 433 states the League of Kansas Municipalities is unable to estimate the fiscal effect of the bill and the KCC states the anticipated fiscal impact on the agency would be negligible. In addition, because the original Renewable Energy Standards Act included provisions for energy savings for public schools, the Division of the Budget contacted the Kansas State Department of Education, which indicated the fiscal effect of the bill for any school district would be negligible.