

SESSION OF 2013

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2241

As Amended by House Committee on Energy
and Environment

Brief*

HB 2241 would amend existing law regarding the state's renewable energy portfolio standard (RPS). Currently, the RPS requires utilities to generate or purchase electricity generated from renewable energy resources, which counts toward the utilities' RPS requirement. The utilities are required to meet a specific percent of their peak demand with renewable generation capacity by calendar years specified in statute.

The bill would provide utilities additional time to meet the 10 percent and 15 percent standards, and would eliminate the 20 percent standard. The bill would amend the time lines as follows:

- Renewable capacity equal to 10 percent of peak load would be required from 2011 to 2017, rather than 2015, as required in current law; and
- Renewable capacity equal to 15 percent of peak load would be required beginning in 2018, rather than from 2016 to 2019, as required in current law.

After 2020, an affected utility's RPS would be based on what such utility's average demand was for the utility to meet the RPS for 2020.

Going forward, the bill would allow renewable energy credits to be used to meet a portion of RPS requirements only

*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>

in 2018, when the 15 percent requirement would become effective.

The Kansas Corporation Commission (KCC) would be allowed to delay a utility's 15 percent requirement for a specified period of time upon the utility showing good cause to do so. The bill would define good cause as including availability of firm transmission service or excessive costs to retail electric customers.

Finally, the bill would define in statute the term "firm transmission service" as meaning transmission service that may not be interrupted for any reason except during an emergency when continued delivery of power is not possible.

Background

The bill was introduced by the House Committee on Energy and Environment. At the hearing on the bill, proponents included representatives of Beacon Hill Institute and The Heartland Institute, and former Representative Charlotte O'Hara. The proponents testified that supporting the renewable energy industry will force Kansans to pay higher utilities rates and suffer economic consequences. Proponents providing written testimony included the Kansas Policy Institute and a member of the public.

Opponents of the bill included representatives of BP Wind Energy, Infinity Wind Power, Kansans for Clean Energy, The Wind Coalition, and Vestas-American Wind Technology. Opponents stated the current RPS is responsible for increased economic development in renewable energy generation across the state. In addition, the opponents stated all utilities in the state have met the current 10 percent requirements and the 15 percent requirement is nearly met, which is not required until calendar years 2016 to 2019. Opponents submitting written testimony included Clean Line Energy Partners; CPV Renewable Energy Company, LLC; EDP Renewables North America, LLC; Iberdrola

Renewables, LLC; Natural Resources Defense Council; NextEra Energy Resources; Siemens Energy, Inc.; and The Wind Coalition.

Neutral testimony on the bill was provided by representatives of the National Conference of State Legislatures and Polsinelli Shughart. Written neutral testimony was received from Americans for Prosperity, ITC Great Plains, and Kansas Farm Bureau.

The Committee amended the bill to clarify utilities' portfolio requirements after 2020 which would be based on the average demand to meet the RPS requirement for 2020.

No fiscal note was available for the bill at the time of House Committee action.