

House Energy, Utilities and Telecommunications Committee  
Testimony of Citizens' Utility Ratepayer Board  
Neutral Oral and Written Testimony  
House Bill 2228  
February 7, 2023

Chairman Delperdang and members of the House Energy, Utilities and Telecommunications Committee, thank you for this opportunity to testify regarding House Bill (HB) 2228. My name is Patrick Orr. I am the Regulatory Analyst for the Citizens' Utility Ratepayer Board (CURB). CURB is the advocate for residential and small commercial ratepayers before the Kansas Corporation Commission (KCC or Commission) and the Kansas Legislature. My testimony reflects the interests of these utility ratepayer classes regarding HB 2228.

HB 2228 amends several Kansas statutes as they pertain to net metering associated with customer-generators, as defined by the bill, to provide for more favorable terms for retail electric customers who choose to offset their electric utility bills with renewable energy.

Currently, K.S.A. 66-1265 provides that electric utilities shall make net-metering available on a first come, first served basis to customer-generators until the total rate generation capacity of all net metered systems equals 1% of the utility's peak demand from the prior year. HB 2228 raises that limit from 1% to 10%. The Commission retains its ability to increase the total rated generating capacity of all net metered systems to an amount above the threshold after conducting a hearing pursuant to K.S.A. 66-101d.

HB 2228 also amends K.S.A. 66-1265 to require the utility to offer all customer-generators a tariff or contract that is identical in electric rates, rate structure and monthly charges to the contract or tariff that the customer would be assigned if the customer were not an eligible customer-generator, regardless of whether the customer-generator began operating its renewable energy resource under an interconnect with the utility on or before July 1, 2014, or after that date. Currently, K.S.A. 66-1265 provides that utilities have the option to propose in a rate proceeding, the application of time-of-use rates, minimum bills or other rate structures to apply for customer-generators which began operating its renewable energy resource under an interconnect with the utility after July 1, 2014.

Currently, net excess energy generated from renewable energy resource under an interconnect agreement with the utility before July 1, 2014, is carried forward month to month and credited against the customer-generator's energy consumption in later months until it expires March 31 each year. The sunset for this provision is January 1, 2030. For customers who began operating its renewable energy resource under an interconnect agreement with the utility after July 1, 2014, (and all customer-generators, post-sunset) net excess energy in any given month is

credited to the customer at a rate of 100% of the utility's monthly system average cost of energy per kilowatt hour. HB 2228 eliminates the sunset date (January 1, 2030) in K.S.A. 66-1266 regarding the carry-forward treatment of net excess energy for customer-generators which began operating its renewable energy resource under an interconnection agreement with the utility prior to July 1, 2014. HB 2228 also provides that, for customer-generators which began operating its renewable energy resource under an interconnect agreement with the utility after July 1, 2014, the net excess energy is reduced by 25% and then carried forward month to month.

Finally, HB 2228 raises the limitations on the kW size of the generation facilities for which a utility must allow an interconnection agreement. It provides a formula by which customer-generators shall appropriately size their system's export capacity, and eliminates the distinction as to these matters as to the dates upon which customer-generators began operating its renewable energy resource under an interconnection agreement with the utility.

As part of its duty to represent its constituents, CURB represents the interests of residential and small commercial utility ratepayers who may desire to install and use solar or wind energy to offset their use and cost of retail energy furnished by electric utilities. In CURB's view, HB 2228 may be helpful to those CURB constituents by providing more favorable terms for interconnection agreements. First, upon information, CURB believes that at least some Kansas utilities are nearing the limitation of 1% peak demand referenced in K.S.A. 66-1265, with the result that those utilities may no longer be required to make net-metering available to additional customer-generators. As a result, some customer-generators may be unable to obtain interconnection agreements with their utilities.

Moreover, it appears to be favorable for customer-generators to have net excess energy, or some portion thereof, carried forward and credited against the customer-generator's energy consumption in later months until March 31 of each year when such credits expire. Therefore, on behalf of the residential and small commercial ratepayers that CURB represents who may desire to become or who are presently customer-generators, CURB believes HB 2228 is favorable.

Upon information, CURB does not perceive that, at present, HB 2228 will have any significant adverse effect upon the general residential and small commercial classes of ratepayers that CURB represents. However, CURB recognizes that changes in the pertinent statutes may affect other stakeholders. CURB has not been able to determine how other stakeholders will be affected. Yet, these competing interests must be weighed such that the interests of all Kansans are reasonably met. It ultimately becomes a policy decision which the Kansas legislature will make. Therefore, CURB remains neutral on HB 2228.

CURB hopes this testimony is helpful to the House Energy, Utilities and Telecommunications Committee, but understands that there may be other policy aspects of this bill to consider. CURB appreciates and respects the Committee's ability to weigh competing interests and policies to arrive at good law and policy for the State. Therefore, CURB is neutral on HB 2228. Thank you for considering CURB's perspective.