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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 2228 – Bill Brief

House Bill 2228 would amend the net metering and easy connection act. The net metering and easy connection act requires investor-owned electric public utilities to interconnect customers' renewable energy generation systems with the public utility subject to the requirements of the act. The act also establishes the amount credited to a customer's account for the energy generated by their renewable energy generation system.

Section 1

Section 1 of HB 2228 would require municipal utilities and cooperative electric public utilities to offer net metering to customers in accordance with the net metering and easy connection act in addition to the investor-owned utilities.

Section 2

Section 2 would increase the total systemwide generating capacity of net-metered facilities in the territory of each electric public utility subject to the act. Currently, the net metering law caps the total net metered facility capacity at 1% of a utility's peak demand during the prior year. HB 2228 would increase the total capacity limit of net metered systems to 10% of a utility's peak demand during the prior year.

Section 2 would require all net metering contracts and customer rates to be identical to the rates and charges of similarly situated customer classes. The bill would remove statutory language that authorizes customer generators who began operating their renewable generator on or after July 1, 2014, to propose a different rate structure that would apply to all such customer generators, such as time-of-use rates, minimum bills or other rate structures.

Section 3

Section 3 would amend the net metering credits that each customer receives for the energy generated by such customer's net metered facility.

Currently any customer who interconnects their renewable energy generation system on or after July 1, 2014, is credited at a rate of 100% of the utility's monthly average system cost of energy per kilowatt hour. HB 2228 would instead require any such customer who started net metering on or after July 1, 2014, to be credited at the rate of 75% of a one-to-one basis for the excess kilowatt hours generated by the customer's system. Such credits would also carry forward from month-to-month as kilowatt hours against the customer's consumption.

In current law, on and after January 1, 2030, a net metered customer generator who began operating their system prior to July 1, 2014, would begin to be credited at a rate of 100% of the utility's monthly system average cost of energy per kilowatt hour as opposed to the one-to-one credit basis. HB 2228 would remove the January 1, 2030, credit conversion for such customers and would continue to provide credits on a one to one basis for such customers.

Section 4

HB 2228 would remove the statutory size limitations for net metered facilities and would prohibit a utility from imposing a cap or limiting the amount of electricity a customer may generate subject to net metering. HB 2228 would impose a maximum cap of 250 kilowatts for any net metered system.

The bill would retain the requirement that net metered system be appropriately sized for the customer's expected load. HB 2228 would codify a method to determine a customer's maximum system export capacity through a mathematical formula that looks back at a customer's historical usage over the prior 12 months. If the customer does not have 12 months of historic consumption data upon such premises, the formula would estimate such usage using the square footage of occupiable space. The system's export capacity would then be determined by rounding up to the next increment of 2 kW when the formula calculates any size between 2 kW and 20kW and by rounding up to the next increment of 5 kW when the formula calculates any size between 20 kW and 250 kW.