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### MEMORANDUM

To: Chairman Holmes and members of the House Energy and Utilities Committee  
From: Matt Sterling, Assistant Revisor of Statutes  
Date: March 14, 2012  
Subject: House Bill 2446

HB 2446, as it left this committee, amended K.S.A. 2011 Supp. 66-1257, the definitions section of the renewable energy standards act. Under current law, utility's are required to have net renewable generating capacity constituting a certain percentage of their peak demand. The bill would change the definition of renewable energy resources to include energy storage that is connected to any renewable generation by means of energy storage equipment. This change would allow utilities to count energy produced by renewable sources and stored for later use towards the utility's net renewable generation capacity in order to comply with the portfolio standards. The bill would also count new hydropower, including pumped storage, of any size as a renewable energy resource.

"Net renewable generation capacity" means the gross generation capacity of the renewable energy resource over a four-hour period when not limited by ambient conditions, equipment, operating or regulatory restrictions less auxiliary power required to operate the resource, and refers to resources located in the state or resources serving ratepayers in the state.

On the House floor, the bill was amended to include amendments to K.S.A. 66-1258, concerning renewable energy standards portfolio requirements, and then referred back to this committee. Under current law, an affected utility is required to have net renewable generation capacity of at least 10% of the utility's peak demand. In 2016, the requirement is set to increase to 15% and then increase again to 20% in 2020. The floor amendment would freeze the portfolio requirement at 10% if construction of the Holcomb facility had not begun by January 1, 2016.

The bill would require a technical amendment that I have attached.

**{As Amended by House Committee of the Whole}**

**As Amended by House Committee**

*Session of 2012*

**HOUSE BILL No. 2446**

By Committee on Energy and Utilities

1-12

1 AN ACT concerning the renewable energy standards act; relating to  
2 energy storage; amending K.S.A. 2011 Supp. 66-1257 **{and 66-1258}**  
3 and repealing the existing ~~section~~ **{sections}**.  
4

5 *Be it enacted by the Legislature of the State of Kansas:*

6 Section 1. K.S.A. 2011 Supp. 66-1257 is hereby amended to read as  
7 follows: 66-1257. As used in the renewable energy standards act:

8 (a) "Affected utility" means any electric public utility, as defined in  
9 K.S.A. 66-101a, and amendments thereto, but does not include any portion  
10 of any municipally owned or operated electric utility.

11 (b) "Commission" means the state corporation commission.

12 (c) "Net renewable generation capacity" means the gross generation  
13 *or storage* capacity of the renewable energy resource over a four-hour  
14 period when not limited by ambient conditions, equipment, operating or  
15 regulatory restrictions less auxiliary power required to operate the  
16 resource, and refers to resources located in the state or resources serving  
17 ratepayers in the state.

18 (d) "Peak demand" means the demand imposed by the affected  
19 utility's retail load in the state.

20 (e) "Renewable energy credit" means a credit representing energy  
21 produced by renewable energy resources issued as part of a program that  
22 has been approved by the state corporation commission.

23 (f) "Renewable energy resources" means net renewable generation  
24 capacity from:

- 25 (1) Wind;
- 26 (2) solar thermal sources;
- 27 (3) photovoltaic cells and panels;
- 28 (4) dedicated crops grown for energy production;
- 29 (5) cellulosic agricultural residues;
- 30 (6) plant residues;
- 31 (7) methane from landfills or from wastewater treatment;
- 32 (8) clean and untreated wood products such as pallets;
- 33 (9) (A) existing hydropower;
- 34 (B) new hydropower; ~~not including pumped storage, that has a~~

1 nameplate rating of 10 megawatts or less;  
2 (10) fuel cells using hydrogen produced by one of the above-named  
3 renewable energy resources; ~~and~~  
4 (11) *energy storage that is connected to any renewable generation by*  
5 *means of energy storage equipment including, but not limited to, batteries,*  
6 *fly wheels, compressed air storage and pumped hydro; and*  
7 (H) (12) other sources of energy, not including nuclear power, that  
8 become available after the effective date of this section, and that are  
9 certified as renewable by rules and regulations established by the  
10 commission pursuant to K.S.A. 2011 Supp. 66-1262, and amendments  
11 thereto.  
12 **{Sec. 2. K.S.A. 2011 Supp. 66-1258 is hereby amended to read as**  
13 **follows: 66-1258. (a) The commission shall establish by rules and**  
14 **regulations a portfolio requirement for all affected utilities to generate**  
15 **or purchase electricity generated from renewable energy resources or**  
16 **purchase renewable energy credits. For the purposes of calculating the**  
17 **capacity from renewable energy credit purchases, the affected utility**  
18 **shall use its actual capacity factor from its owned renewable**  
19 **generation from the immediately previous calendar year. Renewable**  
20 **energy credits may only be used to meet a portion of portfolio**  
21 **requirements for the years 2011, 2016 and 2020, unless otherwise**  
22 **allowed by the commission. Such portfolio requirement shall provide**  
23 **net renewable generation capacity that shall constitute the following**  
24 **portion of each affected utility's peak demand:**  
25 (1) **Not less than 10% of the affected utility's peak demand for**  
26 **calendar years 2011 through 2015, based on the average demand of**  
27 **the prior three years of each year's requirement;**  
28 (2) *except as provided in subsection (b), not less than 15% of the*  
29 *affected utility's peak demand for calendar years 2016 through 2019,*  
30 *based on the average demand of the prior three years of each year's*  
31 *requirements; and*  
32 (3) *except as provided in subsection (b), not less than 20% of the*  
33 *affected utility's peak demand for each calendar year beginning in*  
34 *2020, based on the average demand of the prior three years of each*  
35 *year's requirement.*  
36 (b) *If on January 1, 2016, construction of the facility authorized by*  
37 *the issuance of a permit pursuant to K.S.A. 2011 Supp. 65-3029, and*  
38 *amendments thereto, has not begun, ~~than~~ the portfolio requirement*  
39 *described in subsection (a) shall be not less than 10% of the affected*  
40 *utility's peak demand based on the average demand of the prior three*  
41 *years of each year's requirement.*  
42 (H) (c) **The portfolio requirements described in subsection (a)**  
43 **shall apply to all power sold to Kansas retail consumers whether such**

then

1 power is self-generated or purchased from another source in or  
2 outside of the state. The capacity of all net metering systems  
3 interconnected with the affected utilities under the net metering and  
4 easy connection act in K.S.A. 2011 Supp. 66-1263 *et seq.*, and  
5 amendments thereto, shall count toward compliance.

6 ~~(c)~~ Each megawatt of eligible capacity in Kansas installed after  
7 January 1, 2000, shall count as 1.10 megawatts for purposes of  
8 compliance.

9 ~~(d)~~ The commission shall establish rules and regulations required  
10 in this section within 12 months of the effective date of this act.}

11 Sec. ~~2~~. {3.} K.S.A. 2011 Supp. 66-1257 is {and 66-1258 are} hereby  
12 repealed.

13 Sec. ~~3~~. {4.} This act shall take effect and be in force from and after its  
14 publication in the statute book.

15

relettering remaining  
subsections