

February 9, 2016

The Honorable Joe Seiwert, Chairperson  
House Committee on Utilities and Telecommunications  
Statehouse, Room 481-W  
Topeka, Kansas 66612

Dear Representative Seiwert:

**SUBJECT:** Fiscal Note for HB 2594 by Representative Sloan

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2594 is respectfully submitted to your committee.

HB 2594 would amend existing law concerning the sale of electricity and renewable energy suppliers. Under the provisions of the bill, the Kansas Corporation Commission (KCC) would require electric public utilities to enter into contracts to purchase electricity directly from renewable energy suppliers that are located in the utilities' certificated service territory. The KCC would be authorized to approve tariffs for the purchase of electricity by a utility from a renewable energy supplier. Those tariffs would include all transmission, distribution, and standby rates, customer charges, and appropriate ancillary charges. Tariffs would also be applied to avoided costs, and the bill would provide a means for the KCC to determine those costs.

The bill would establish terms and conditions for contracts between renewable energy suppliers and local certificated utilities, including those applicable to operations and maintenance, reliability, safety, interconnection, and performance, so that associated costs would not be borne by any incumbent utility. The bill would also exclude renewable energy suppliers from the definition of a public utility and from the definition of a retail electric supplier.

According to the KCC, passage of HB 2594 would have no fiscal effect on the agency budget.

Sincerely,



Shawn Sullivan,  
Director of the Budget

cc: Amy Gilbert, KCC