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HOUSE OF
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COMMITTEE ASSIGNMENTS

MEMBER: ENERGY AND UTILITIES
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AND TECHNOLOGY

Testimony on HB 2127 - Senate Utilities Committee - March 13, 2007

Mr. Chairman, Members of the Committee: HB 2127 represents an effort by the House to address two specific requests from agricultural and academic folks to expand the economic base in Kansas.

Under current law, commercial enterprises with renewable energy electric generation no larger than 100 kv are authorized to sell their “surplus” electricity to the local utility for 150 percent of the utility’s average avoided cost. Avoided costs essentially means the cost of fuel that would otherwise have been burned to produce the same amount of electricity. Federal law requires that the utility pay 100 percent of the avoided costs, state law provides the additional incentive for small renewable generators.

The central Kansas irrigators that contacted us have determined that 200 kv turbines are necessary to pump the water from the depths at which it is located. Every effort was made to balance the needs of the irrigators and the utility. HB 2127 not only limits the irrigator to an appropriately sized turbine, but also provides limits on how many turbines may be connected and further provides that the local utility may deny even that number if the utility determines that their distribution lines and operations are not capable of handling such loads.

Kansas has been rated as the state with the third best wind generation potential. This means, that if fully developed, Kansas can produce more electricity from wind than 47 other states. While we have not developed the wind generation quickly enough to attract turbine manufacturing plants, Cloud County Community College and Manhattan Technical College have collaboratively worked to develop a curriculum for the people who maintain and service turbines. This program will serve not only Kansas’ wind farms, but will be one of the first in the nation and the graduates will have employment opportunities across the region. In concept, this is similar to the telecommunications program at Goodland’s technical college that prepares people for employment in Kansas and regionally in a highly technical field.

The intent of HB 2127 is to have an appropriately sized turbine to meet the electric needs of Cloud County Community College and serve as a training platform for students. The proposed sale of “surplus” electricity to the local utility for 150 percent of the utility’s avoided costs has attracted negative attention from the electric cooperatives. The language of the bill carefully limits the size of generator to one appropriate to the education institution’s (the House Energy & Utilities Committee removed all references to K-12 schools) needs with a cap of 1.5 MW. The

1.5 MW size turbine permitted by the bill *may not be installed if it is not the appropriate size for the college's electric load or is too large for the utility system's distribution line.*

To address some of the electric cooperatives' concerns, the Committee may wish to limit HB 2127 to Cloud County Community College. I remind the Committee that under existing state law, it is permissible for any electric customer to co-generate. The "fear" that the education institution will be putting 1.5 MW of electricity into the local utility's system is unfounded. First the education institution must have a properly sized generator for its load and second, the college must use that electricity. "Surplus" power will never be the full capacity of the generator - it cannot be because the college will meet its electric needs from that source.

HB 2127 will not destabilize any electric cooperative's system. It cannot because generation must be appropriately sized to the load, the local utility can further limit generation if the size of the distribution lines will not be able to handle the realistic "surplus" generation, and the prospective generator and the local utility must have a mutually determined interconnection agreement.

Thank you for your attention. I will be pleased to respond to questions.