



Kentucky Legislative Report February 26, 2018 - Regular Session Update

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Scott's Thoughts

Action is beginning to pick up for this legislative session. Some of the larger issues such as pensions, workers comp and the budget are beginning to see the light of day and their status is briefly discussed below.

However, very few bills have been filed this session that relate to the environment and very few, if any, have attracted much attention, except for HB 227 that relates to solar power and is bringing out all forms of opposition. The Bill was posted February 18 but has not been voted on by the House. Twenty-nine separate floor amendments have been filed.

- HB 227 reduces the subsidy that credits rooftop solar at 300% of the value of energy in Kentucky. It provides a credit that will continue to support solar power generators but avoid costly increases for other customers.
- The bill does not put an end to rooftop solar.
- It holds harmless all existing net metered customer systems and rates. The modernization only applies to new systems generating 30 KW or less of solar power. New generators will still receive a 1:1 credit for the power they use, but any excess power they feed onto the energy grid will be valued the same as any other energy the utility must purchase -- at the average wholesale rate.
- HB 227 seeks to protect all customers from unfair costs caused by outdated net metering policies. Numerous business organizations including Commerce Lexington support this legislation to keep Kentucky's low-cost electricity rates, a key competitive advantage in attracting businesses to the state.

The other environmental-related bill that I am tracking is the reorganization of the Energy and Environment Cabinet (SB 129) sponsored by Senator Carpenter. The SB 129 is 96 pages but not everything contained in it has been designated for change. I will briefly describe some of the major points contained in the bill and will follow-up later this week with a more detailed blog on the issue. This legislation renames and reorganizes offices within the Energy and Environment Cabinet. It changes the name of the Office of General Counsel to the Office of Legal Services and creates a Legal Division I and Legal Division II within the office. It creates an office of Communication within the Office of the Secretary. The bill creates an Office of Kentucky Nature Preserves, which is a significant change. Among other duties, this Office is given the responsibility to establish standards for pollution of water included in the Wild River Systems. The bill amends KRS 146.250 to clarify how stream boundaries are defined for streams included in the Wild River Systems. More to come on this one.

Pensions. We've been hearing about this issue for months. There is finally a Bill (SB 1) that has been filed in the Senate that addresses this issue. It's too complicated to briefly discuss so I would suggest that you contact your advocacy group or the Kentucky Chamber's web site at <https://www.kychamber.com/pensionreform>. The bill is located at <http://www.lrc.ky.gov/record/18RS/SB1.htm>.

HB2 Workers' Comp was passed by the House on Thursday and now resides in the Senate where its future is unclear. If you recall, the bill died in the Senate last year. HB2 is sponsored by Rep. Adam Koenig, R-Erlanger, has the backing of the Kentucky Chamber of Commerce. Rep. Koenig has said that HB 2 will make Kentucky more competitive with surrounding states with lower loss ratios (claims paid versus earned premiums). Kentucky has a loss ratio of around 75 percent compared to fewer losses in surrounding states, according to an estimate shared by Koenig.

The state budget bill is beginning to move. HB 200 was posted to the A & R Committee on February 22. With other big issues moving around, some legislators have described this bill as the elephant in the room. I plan to monitor this legislation to determine its impact on the budget of the Energy and Environment Cabinet.

GLI and the Northern Ky. Chamber recently held a press conference in Frankfort to rally support for HB229, a bill that proposes a constitutional amendment authorizing the General Assembly to define and permit casino gaming and to dedicate all revenues to our ailing public pension system for the next 20 years.

Close to 300 candidates filed for the General Assembly—up from about 240 in 2016 and 217 in 2014.

Here are some key election numbers for the legislature this year, with some help from WKYU:

- 254 candidates in the House: 134 Democrats and 120 Republicans
- 19 House incumbents not running for re-election: 11 Democrats and 8 Republicans
- 43 candidates in the Senate: 20 Democrats and 23 Republicans
- 1 Senate incumbent not running for re-election: Sen. Joe Bowen (R-Owensboro)

You can find who filed for office in your area by searching this link

<http://apps.sos.ky.gov/elections/candidatefilings/statewide/>

The last date to file bills will be this week. The last day for the House will be February 27 and the last day to file bills will be March 1 in the Senate. This is a sign that the end is coming soon.

The bill numbers found in this document are linked to the Kentucky Legislative Review Commission's web page, so you can review the legislation.

This is by no means an all-encompassing list of bills. Don't hesitate to contact me if you want me to add additional issues, need copies of the proposed legislation or have questions about these or other bills you've heard about.

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QUESTIONS, COMMENTS, ADDITIONAL INFORMATION

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Feb 05, 2018 - introduced in Senate
 Feb 06, 2018 - to Natural Resources & Energy (S)
 Feb 21, 2018 - reported favorably, 1st reading, to Consent Calendar with Committee Substitute (1)
 Feb 22, 2018 - 2nd reading, to Rules
 Feb 23, 2018 - posted for passage in the Consent Orders of the Day for Monday, February 26, 2018

Water

AN ACT relating to water well drillers. SB 197 (BR 1850) - S. Humphries

Amend KRS 223.400 to define "water well driller's assistant"; amend KRS 223.405 to require anyone who engages in activities associated with drilling a water well to have a valid certificate as a water well driller or water well driller's assistant; amend KRS 223.425 to delete the examination exemption for persons in business since 1984 and establish the application, examination, and other requirements for certified water well driller's assistants; amend KRS 223.447 to establish fees for water well driller's assistant certifications; and amend KRS 223.450 to

include water well driller's assistants to comply with requirements before performing work.

Feb 22, 2018 - introduced in Senate
 Feb 23, 2018 - to Natural Resources & Energy (S)

Energy/Utilities

AN ACT relating to net metering. HB 227 (BR 1031) - J. Gooch Jr., M. Castlen, L. Brown, J. Greer, B. Linder, S. Santoro

Amend KRS 278.465 to redefine "net metering"; amend KRS 278.466 to set the rate of compensation for an eligible customer-generator for electricity produced that flows to the retail supplier to be equal to the most recently approved rate by the Public Service Commission for the retail electric supplier to purchase electricity on an as-available basis from qualifying facilities with design capacities of 100 kilowatts or less; allow the retail electric supplier discretion to either carry forward or pay out the customer for excess generation during a billing period; create an exemption for customer-generators taking net metering service on July 15, 2018, to allow those customers to keep their current net metering contract or tariff rate calculation until they cease to take net metering

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service at the eligible premises or July 15, 2043, whichever comes first; specify that the exemption does not apply to lessees, successors, assigns, or subsequent owners of eligible premises.

Jan 22, 2018 - introduced in House; to Natural Resources & Energy (H); posted in committee

Feb 08, 2018 - reported favorably, 1st reading, to Calendar with Committee Substitute; floor amendments (2), (4), and (6) filed to Committee Substitute and floor amendments (1), (3) and (5) filed to Bill

Feb 09, 2018 - 2nd reading, to Rules; floor amendments (8), (9), (12), (14) and (16) filed to Committee Substitute and floor amendments (7), (10), (11), (13) and (15) filed to Bill

Feb 13, 2018 - floor amendments (3) and (4) withdrawn; floor amendments (18) and (20) filed to Committee Substitute, floor amendments (17) and (19) filed to Bill

Feb 15, 2018 - floor amendment (21) filed to bill and floor amendment (22) filed to Committee Substitute

Feb 16, 2018 - posted for passage in the Regular Orders of the Day for Tuesday, February 20, 2018

Feb 20, 2018 - floor amendments (23) filed to HFA 21, (24) filed to HFA 22, (25) filed to Bill, (26) filed to Committee Substitute

Feb 21, 2018 - floor amendments (27) filed to Bill, (28) filed to Committee Substitute, floor amendment (29-title) filed

Jan 17, 2018 - introduced in Senate
Jan 18, 2018 - to State & Local Government
Feb 22, 2018 - reassigned to Economic Development, Tourism, and Labor (S)

AN ACT relating to mechanical systems. HB 307 (BR 1379) - DJ Johnson

Amend KRS 236.060 to exempt compressed air receivers of 120 gallons or less from KRS 236.005 to 236.150; remove cryogenic service piping, hydrogen piping, piping associated with a pressure vessel for human occupancy, and refrigeration service piping in safety group from the list of exemptions of piping associated with boilers and pressure vessels in KRS Chapter 236.

Feb 05, 2018 - introduced in House
Feb 07, 2018 - to Veterans, Military Affairs, and Public Protection (H)
Feb 08, 2018 - posted in committee

Other

AN ACT relating to the use of and disposition of auxiliary containers.

SB 82/LM (BR 1124) - M. Wilson

Create a new section of KRS Chapter 109 providing definitions of "auxiliary container" and "local government"; creates a new section of KRS Chapter 109 prohibiting local governments from adopting ordinances or regulations concerning the use, prohibition of, or taxes upon auxiliary containers; create a new section of KRS Chapter 109 exempting certain facilities and properties of local governments.

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