

SENATE BILL No. 170

By Committee on Utilities

2-9

1 AN ACT concerning electric utilities; relating to the regulation of carbon
2 dioxide emissions; concerning development of a state implementation
3 plan, legislative approval; state corporation commission; department of
4 health and environment.

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

7 Section 1. (a) The state corporation commission and the secretary of
8 health and environment may examine the implications of preparing and
9 implementing any rule proposed under docket EPA-HQ-OAR-2013-0602
10 or pursuant to 42 U.S.C. § 7411(d), but shall not prepare, draft, submit or
11 implement an implementation plan or expend any funds to develop an
12 implementation plan pursuant to any such rule until the completion of
13 judicial review, in the determination of the commission and the secretary,
14 as to the legality of federal regulation for existing electric generating units
15 pursuant to such rule has been fully resolved.

16 (b) The secretary, prior to submission to the environmental protection
17 agency of any state implementation plan developed by the secretary, shall
18 submit the plan to the:

19 (1) Senate committee on utilities and the house of representatives
20 committee on energy and environment or, if the legislature is not in
21 session, any special committee created by the legislative coordinating
22 council to address electricity or utilities issues, for such committees to:

23 (A) Review the impact of the plan and implementation of the rule
24 proposed by the environmental protection agency on the affordability and
25 reliability of the electric system for Kansas ratepayers; and

26 (B) submit a report including the committee's findings and approval
27 of the plan to the legislature; and

28 (2) state corporation commission and the federal energy regulatory
29 commission to certify that implementation of the proposed rule will still
30 permit electric utilities in Kansas to meet the reliability standards
31 established by the federal energy regulatory commission.

32 (c) In performing a review of any state implementation plan
33 developed in response to docket EPA-HQ-OAR-2013-0602 or 42 U.S.C. §
34 7411(d), the state corporation commission and the department of health
35 and environment shall:

36 (1) Condition any decision related to electricity generation and

1 distribution on least-cost proposals that comply with any rules proposed
2 pursuant to 42 U.S.C. § 7401 et seq. and the state implementation plan for
3 which air quality criteria have been established pursuant to 42 U.S.C. §
4 7412;

5 (2) require that all existing electric generating units be operated in
6 accordance with such units' design parameters and in such a manner as to
7 ensure operation consistent with the initial design life of a unit at the time
8 of such unit's construction;

9 (3) cap non-fuel rate increases associated with greenhouse gas
10 regulations at 1.5%; and

11 (4) not allow electric generating units to be retired prior to a unit's
12 engineering lifetime:

13 (A) If the unit is necessary to maintain the grid reliability specified by
14 the federal energy regulatory commission reliability standards; or

15 (B) unless the owners of the unit have fully recouped the cost of
16 construction and financing, the replacement generation results in lower
17 electric costs to ratepayers and there is sufficient replacement capacity to
18 meet dispatchable capacity of the unit to be retired.

19 Sec. 2. This act shall take effect and be in force from and after its
20 publication in the Kansas register.