

HOUSE BILL 640

By Keisling

AN ACT to amend Tennessee Code Annotated, Title 68, Chapter 201, Part 1, relative to the approval of plans to regulate carbon dioxide emissions for stationary sources.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 68, Chapter 201, Part 1, is amended by adding the following language as a new section:

(a) As used in this section:

(1) "Covered electric-generating unit" means an existing fossil fuel-fired electric-generating unit located within this state that is subject to regulation under EPA emission guidelines;

(2) "Environmental protection agency" or "EPA" means the United States environmental protection agency;

(3) "Federal emission guidelines" means any final rules, regulations, guidelines, or other requirements that the EPA adopts for regulating carbon dioxide emissions from covered electric-generating units under Section 111(d) of the federal Clean Air Act, compiled in 42 U.S.C. § 7401 et seq.;

(4) "State" means the state of Tennessee; and

(5) "State plan" means any plan to establish and enforce carbon dioxide emission control measures adopted by the department to implement the obligations of the state under the federal emission guidelines.

(b) Upon the development of a state plan by the department for regulating carbon dioxide emissions from covered electric-generating units, the department shall

provide notice and an opportunity to comment on the state plan, and review the findings of the report developed pursuant to subsection (c).

(c) In developing a state plan pursuant subsection (b), the department shall prepare a report, subject to notice and comment, which assesses the effects of the state plan on:

(1) The electric power sector, including:

(A) The ability of this state to provide affordable electricity through diversified sources of electricity generation;

(B) The type and amount of electric-generating capacity within this state that the electric power sector is likely to retire or replace with other energy sources;

(C) Stranded investment in electric-generating capacity and other infrastructure;

(D) The amount of investment necessary to offset the retirement of electric-generating capacity and maintain generation reserve margins;

(E) Potential risks to reliable sources of electricity, including resource adequacy risks and transmission constraints; and

(F) The amount by which retail electricity prices within this state are predicted to increase;

(2) Electricity consumers within this state, including any disproportionate impacts of electricity and other energy price increases on middle-income and lower-income households;

(3) Employment within this state, both directly and indirectly, including jobs lost within affected sectors of this state's economy;

(4) Economic development in this state, including the effects on manufacturing, commercial, and other sectors of this state's economy;

(5) The competitive position of this state relative to neighboring states and other economic competitors;

(6) State and local governments, including the potential impacts resulting from changes in tax revenues; and

(7) Existing state laws, and any new legislation to be enacted to implement the state plan.

(d) Not later than fifteen (15) days from the development of a state plan, the department shall transmit a copy of the state plan and the accompanying report developed in accordance with subsections (b) and (c) to both houses of the general assembly.

(e) Upon receiving the state plan and accompanying report transmitted pursuant to subsection (d), both houses of the general assembly shall vote on a joint resolution to approve the state plan after sufficient time has been provided to assess the state plan and accompanying report. The resolution shall be deemed approved by the general assembly if both houses cast a majority of votes in favor of the resolution. If either house fails to approve the state plan, as required by this section, the department may submit a revised version of the state plan, with an accompanying revised report, to the general assembly for approval in accordance with the procedures established in this section.

(f)

(1) Except as provided in subdivision (f)(2), the department shall not submit any state plan to the EPA until both houses of the general assembly have adopted a joint resolution to approve the state plan in accordance with this section.

(2) The department may submit a state plan to the EPA without first obtaining the approval of the general assembly as required pursuant to this section, if the final federal emission guidelines:

(A) Do not establish carbon dioxide emission control requirements for this state that are based on the decrease in carbon dioxide emissions resulting from the operation of new nuclear-generating facilities currently under construction in this state; and

(B) Authorize this state to receive full credit for the decrease in carbon dioxide emissions resulting from nuclear-generating facilities under construction as of the effective date of this act, for purposes of demonstrating compliance with carbon dioxide emission control requirements under the final EPA emission guidelines.

SECTION 2. The commissioner of environment and conservation shall notify the secretary of state and the executive secretary of the Tennessee code commission of the effective date of federal emissions guidelines as soon as reasonably practical after such effective date is known.

SECTION 3. This act shall take effect concurrently with the effective date of federal emissions guidelines, the public welfare requiring it.