

Approved 4/4/88
Date

MINUTES OF THE SENATE COMMITTEE ON ENERGY & NATURAL RESOURCES

The meeting was called to order by Senator Merrill Werts at
Chairperson

8:00 a.m. ~~p.m.~~ on March 22, 1988 in room 123-S of the Capitol.

All members were present except:

Committee staff present:

Don Hayward - Revisor
Nancy Jones - Secretary

Laura Howard - Research
Raney Gilliland - Research

Conferees appearing before the committee:

James Power, Department of Health & Environment

A motion was made by Senator Langworthy to approve minutes of the March 16 and 17 meetings; seconded by Senator Vidricksen. Motion carried.

Hearing held on:

HB 3026 - Concerning low level waste

Chairman Werts stated the proposed legislation was requested by KDHE and that James Power would review the bill for the Committee.

Mr. Power stated HB 3026 would allow the legislature to determine the means of financing the state's involvement with the Interstate LLRW Compact. Legislative policy is needed in determining who will be assessed for these financial obligations, either the citizens of Kansas through the State General Fund or the major generators of LLRW. Services for which fees may be collected and determination of such fees were reviewed. (Attachment I)

Mr. Power stated the language "special arrangement" in line 38 refers to the setting of fees and process for collection of fees assessed by the Department. Collected fees will be deposited in a special fund and then paid to the Compact Commission. Fees to be collected will total about \$100,000 per year and will include \$25,000 for administration of the Compact, \$5,000 Department travel expenses and an estimated \$70,000 for subsidization of interested Nebraska communities. The Department recommends assessment of the generators and notification of fees to be paid will be by letter from KDHE. Collected fees will be deposited in the fee fund. The total amount of fees levied by the Compact cannot be determined for several years and any appeal process will be through the Compact Commission. The language "indirect cost" in line 56 refers to costs to the Department for administering fee collection and use of the fee fund which is estimated at 18% to the operators.

Senator Daniels expressed concern about language "phase of development" as too broad for assessing fees. Mr. Power stated the phases intended for consideration are "pre-application phase, review of application, issuance of a license for construction of the facility and opening the facility for operation. Chairman Werts suggested inserting "pre-construction" before "phases" in line 31.

A conceptual motion was made by Senator Hayden that the cost of the fee be borne by the stockholders rather than rate/payers; seconded by Senator Feleciano. Hand count was 4-5. Motion failed. Senator Feleciano requested his yes vote be recorded.

A motion was made by Senator Hayden to add the language "pre-construction" before phases in line 31; seconded by Senator Feleciano. Motion carried.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ENERGY & NATURAL RESOURCES,
room 123-S, Statehouse, at 8:00 a.m./p.m. on March 22, 1988.

A motion was made by Senator Feleciano that the KDHE employ the temporary rules and regulations process for collection of fees; seconded by Senator Martin. Hand count requested and the vote was 3-5. Motion failed.

Senator Daniels voiced concern about the lack of input by the KCC and the impact of an increase on a limited number of rate payers without prior knowledge. Senator Daniels feels this legislation will have another negative effect on economic growth and that fee costs should be assessed to all Kansans.

Senator Feleciano expressed concern that with enactment of HB 3026, costs will triple without following the rules and regulations process. It is felt the state should assume the Compact costs.

Senator Thiessen expressed concern that one operator will be paying the fees under this legislation and new industries creating LLRW will use the system created with no cost to them. It would be more appropriate to have payment available through the State General Fund and thus share the cost.

A motion was made By Senator Feleciano to recommend HB 3026 adversely; seconded by Senator Thiessen. Hand count was 5-6. Motion failed.

Senators Daniels, Yost and Feleciano requested their yes votes be recorded.

A motion was made by Senator Hayden to recommend favorably HB 3026 as amended; seconded by Senator Gordon. Motion carried.

Senators Daniels, Feleciano, Thiessen and Yost requested the record show their votes in opposition to the motion.

Meeting adjourned. The next meeting will be March 23, 1988.

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Quest List

✓ James Power
Hyde & Jurok
Mike Nelson

John Blythe
MIKE BEAM

KDHE

KSU

ECF

KFB

Ks. LVSTK. ASSN.

STATE OF KANSAS



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Mike Hayden, *Governor*

Stanley C. Grant, Ph.D., *Secretary*

Gary K. Hulett, Ph.D., *Under Secretary*

Testimony Presented to

Senate Energy and Natural Resources Committee

by

The Kansas Department of Health and Environment

House Bill 3026

Mr. Chairman and Members of the Committee:

House Bill 3026 would allow the legislature to make a policy decision as to how to finance the state's involvement in the Central Interstate Low-Level Radioactive Waste Compact Commission.

In response to the Low-Level Radioactive Waste Policy Act of 1980, the states of Arkansas, Kansas, Louisiana, Nebraska, and Oklahoma formed the Central Interstate Low-Level Radioactive Waste Compact Commission in 1983, and empowered it to carry out the party states' duties and responsibilities of low-level radioactive waste management. It is the Commission's responsibility to see that its party states preserve the health, safety, and welfare of their citizens and the environment, and provide for and encourage the economical management of low-level radioactive wastes.

The Commission sought to meet its responsibility of ensuring a developer be chosen and a facility built to handle the region's waste by method of Request for Proposals (RFP) thereby giving any interested and qualified entity a chance to respond. Interested applicants were able to use the Request for Proposal as a guide for submitting a proposal to develop, construct, and operate a regional waste facility. The Commission met in Oklahoma City, Oklahoma, June 29, 1987, and selected U.S. Ecology as the contractor to develop, construct, and operate the regional low-level radioactive waste facility.

During a December 1987 meeting in New Orleans, the Compact Commission selected the State of Nebraska as the initial host.

As a member of a compact commission, there are certain financial obligations which need to be met. These include \$25,000 per year for carrying out the administrative activities of the Commission office (K.S.A. 65-34a01, Article IV, h.1.). In addition, the staff is involved in several meetings a year in

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fulfilling the state's obligation as a participant in the compact. This has been as many as four out-of-state trips per year for two to three people. Finally, there will be costs associated with the development of the facility.

Nebraska Governor Kay Orr, in a December 1, 1987 statement, requested compensation for local communities who become active participants in the site selection process. Her statement indicates that preoperational compensation would be an obligation of the nonsite states. This may amount to \$70,000 per state for each of the next three to four years.

Thus, there is a need for a policy decision on the part of the legislature as to whether or not these costs should be borne by the citizens of the State of Kansas or assessed against the major generators of low-level radioactive waste. It is our opinion the legislature would be wise in considering this bill and supporting the concept in the proposed legislation.

Submitted by:

James A. Power, Jr., P.E.
Director, Division of Environment
March 22, 1988