

MINUTES OF THE SENATE NATURAL RESOURCES COMMITTEE

The meeting was called to order by Chairman Carolyn McGinn at 8:30 a.m. on January 30, 2009, in Room 446-N of the Capitol.

All members were present.

Committee staff present:

Jason Thompson, Revisor of Statutes Office  
Corey Carnahan, Kansas Legislative Research Department  
Raney Gilliland, Kansas Legislative Research Department  
Alissa Vogel, Committee Assistant

Conferees appearing before the committee:

Roderick L. Bremby, Secretary, Kansas Department of Health and Environment  
Bill Eastman, Director of Environmental Services, Westar Energy  
Scott Jones, Kansas City Power & Light

Others attending:

See attached list.

Senator McGinn introduced Steve Kearny, representing Waste Management of Kansas, who requested the introduction of a bill to have the Kansas Department of Health and Environment oversee and report back on a study examining the disposal and recycling of mercury containing devices, including compact fluorescent lamps and sharps. Senator Taddikan made a motion to introduce the bill. Senator Teichman seconded the motion, and the motion carried.

Stuart Little, appearing on behalf of Johnson County, requested two bill introductions. (Attachment 1) The first bill concerns the current language that exists in statutes regarding solid waste planning in Johnson County. The proposed bill would authorize cities or counties to implement approved solid waste management plans. Senator Teichman made a motion to introduce the bill. Senator Pilcher-Cook seconded the motion, and the motion carried.

The second bill would delegate authority to a county in which an intermodal facility has been or is proposed to be located to begin a process in planning for regulating diesel emissions. Senator Teichman made a motion to introduce the bill. Senator Francisco seconded the motion, and the motion carried.

A motion was made by Senator Teichman to approve the minutes from January 22, 2009. Senator Abrams seconded the motion, and the motion carried.

Senator McGinn introduced Roderick Bremby, Secretary of Kansas Department of Health and Environment (KDHE). He respectfully declined to speak in regard to the rules and regulations on greenhouse gases, as the agency's authority on this issue is being questioned in a recent court case. Secretary Bremby expects federal direction to the state level in the near future, in which they will have a clear sense of where the state is headed in greenhouse gas regulation.

Senator Taddikan asked for further explanation as to where the federal government is headed in regulating greenhouse gas emissions. Secretary Bremby referred to a letter sent by Environmental Protection Agency (EPA) Administrator Lisa Jackson to her staff, which included values the EPA would be expected to follow. The EPA is to uphold the rule of law given by congressional mandates and court decisions. Secretary Bremby expects that the EPA will soon release an endangerment finding, followed by possible rulemaking on greenhouse gas regulations.

Secretary Bremby told the Committee that KDHE is collaborating with facilities on a voluntary and educational basis to help reduce greenhouse gas emissions including: participating in Blue Skyways Collaborative, innovations in diesel emissions and renewable fuels, participating in the Change of Light Program and Sustainable Skylines in Kansas City.

## CONTINUATION SHEET

Minutes of the Senate Natural Resources Committee at 8:30 a.m. on January 30, 2009, in Room 446-N of the Capitol.

The Committee was informed that no greenhouse gas regulations are in place at the state or federal level, but permits are still being renewed across the nation.

A request was made by the Committee to obtain a copy of the letter sent from EPA Administrator Lisa Jackson to her staff and components of the EPA Greenhouse Gas Endangerment Finding.

Representatives from industries across the state appeared before the Committee to discuss and report on technology innovations made to decrease the pollutants of mercury, nitrogen oxide (NOx) and sulfur oxide (SOx).

Bill Eastman, Director of Environmental Services for Westar Energy, presented the Air Quality Improvement Update Report. (Attachment 2) In this report, he discussed the Clean Air Visibility Rule, which is the main driver behind emission reductions in reducing NOx, SOx and particulate matter. Westar has in place an 8 to 10 year program to improve air emissions including: the rebuilding of three SOx scrubbers, rebuilding of electrical static precipitators in facilities and the building of low NOx systems. Mr. Eastman also referred to the new Emporia Energy Center, built with low NOx systems, designed to produce the lowest emissions possible. Westar Energy's long-term plan is to meet all of the requirements under the Clean Air Visibility Rule, which has proven to be very costly.

Mr. Eastman stood for questions. He informed the Committee that Westar Energy is currently monitoring, but not regulating, CO2 emissions. Westar Energy is awaiting further direction from the courts on mercury regulation. However, Westar is continuing to monitor and better understand mercury emissions.

Senator Lee requested more information on current mercury emission figures.

Senator Francisco requested more information on the cap and dividend process.

Scott Jones, Manager of Kansas Governmental Affairs of Kansas City Power and Light (KCP&L), provided a summary of their corporation's NOx, SOx and mercury emissions. (Attachment 3) The overall trend is similar to the national decrease of aggregate emissions, in that they also have seen reductions in SOx and NOx emissions. KCP&L monitors mercury emission levels based on a stack test, in which emissions have remained steady.

KCP&L signed an agreement with KDHE that will eventually become the Kansas Regional Haze Implementation plan to reduce SOx, NOx and particulate matter. They are currently awaiting EPA's approval of this plan. Following their approval, KCP&L will install equipment to meet regulations within five years. Existing equipment installed includes: Selective Catalytic Reduction Systems (SCRs) for NOx emissions, scrubbers for SOx emissions and precipitators. Potential equipment to install includes: more scrubbers, baghouses and low NOx burners.

Mr. Jones stood for questions. He informed Committee members that KCP&L does not currently regulate CO2 emissions. However, KCP&L is prepared to comply with possible federal regulations on greenhouse gases.

Senator McGinn requested more information on KCP&L's current mercury emissions and efforts to reduce emissions.

The Committee requested a chart and timeline, comparing facilities' current and future goals for emissions on NOx, SOx and mercury, including one for the proposed and existing Holcomb Power Plant.

The Air Update Reports will continue at the next meeting.

The next meeting is scheduled for February 5, 2009.

The meeting was adjourned at 9:30 a.m.

# SENATE NATURAL RESOURCES COMMITTEE

## Guest Roster

Jan 30, '09

(Date)

Joe Dick	KC BPU
JEAN MILLER	CHARTER STRATEGIES
Dave Holthaus	Kec
Rick Brunetti	KPHE
Tom Gross	KDDE
Dwayne Pinnard	Jun Pinnard
Parrell Hoseney	BPU
Leah Bennett	BPU
BILL EASTMAN	WESTAR
Mark Schreiber	Westar
STACEY KEACHNIZ	WASTE MANAGEMENT
Scott Jones	KCP
Stuart Little	Johnson County
Joe Mosimann	Hein Law Firm
Wendy Malt	KAPA - KRMCA / KS Cement Council
Wendy Malt	KAPA - KRMCA / KS Cement Council
Arkie Clark	Ash Grove Cement Co.
Doug Smith	Sunflower Electric
John Donley	KLA

**Please use black ink only!!**

AN ACT concerning air quality; relating to urban counties, providing authority to regulate diesel emissions.

Be it enacted by the Legislature of the State of Kansas:

*New Section 1. (a). The board of county commissioners of any county designated by law as an urban county in which an intermodal facility has been or is proposed to be located may adopt, by resolution, local legislation and regulations to control and reduce the diesel emissions produced by heavy-duty vehicles located or operating within the county. Such regulations shall apply only to the use and operation of the vehicle, and not the design or licensing, including restrictions on idling of the vehicle and operation of the vehicle upon private property used for warehouses, intermodal terminals, or similar commercial and industrial facilities where diesel vehicles may congregate.*

*(b). Any legislation or regulations adopted under the provisions of this act shall apply uniformly to all areas of the county, including both incorporated areas and unincorporated areas unless the board expressly exempts an area.*

*(c). The legislation and regulations adopted under this act may be enforced through the county's code of regulations pursuant to K.S.A. 19-101d as now enacted or hereafter amended, and, with consent of the city, in the appropriate municipal court of the city in which a violation occurred.*

*(d). As a part of any regulations adopted under this act, the board of county commissioners may adopt and impose a system of fees and charges as deemed necessary to pay the costs to administer and enforce the regulations.*

*(e). Any legislation and regulations adopted pursuant to this act shall be in addition and supplemental to any regulations adopted by the state or its agencies so long as they are not in conflict, and such regulations may be more stringent or restrictive than the state regulations.*

Section 2. This act shall take effect and be in force from and after its publication in the statute book.

Stuart Little  
Senate Natural  
Resources  
January 30, 2009  
Attachment #1

**65-3410. Cities or counties authorized to implement approved solid waste management plans and provide for collection and disposal of solid wastes or contract therefor; fees; adoption of regulations and standards.** (a) Each city or county or combination of such cities and counties may provide for the storage, collection, transportation, processing and disposal of solid wastes and recyclables generated within its boundaries; and shall have the power to implement any approved solid waste management plan and to purchase all necessary equipment, acquire all necessary land, build any necessary buildings, incinerators, transfer stations, or other structures, lease or otherwise acquire the right to use land or equipment and to do all other things necessary for a proper effective solid waste management system and recycling program including the levying of fees and charges upon persons receiving service. On or before the first day of July of each calendar year, the board of county commissioners of any county, may, by resolution establish a schedule of fees to be imposed on real property within any county solid waste and recyclables service area, revenue from such fees to be used to implement an approved solid waste management plan, to conduct operations necessary to administer the plan and to carry out its purposes and provisions; and/or for the acquisition, operation and maintenance of county waste disposal sites and/or for financing waste collection, storage, processing, reclamation, disposal services and recycling programs, where such services are provided. In establishing the schedule of fees, the board of county commissioners shall classify the real property within the county solid waste and recyclables service area based upon the various uses to which the real property is put, the volume of waste occurring from the different land uses and any other factors that the board determines would reasonably relate the waste disposal and recyclable fee to the real property upon which it would be imposed.

The board shall set a reasonable fee for each category established and divide the real property within the county service areas according to categories and ownership. The board shall impose the appropriate fee upon each division of land and provide for the billing and collection of such fees. The fees may be established, billed, and collected on a monthly, quarterly or yearly basis. Fees collected on a yearly basis may be billed on the ad valorem tax statement. Prior to the collection of any fees levied on real property by the board under this section, the board shall notify affected property owners by causing a copy of the schedule of fees to be mailed to each property owner to whom tax statements are mailed in accordance with K.S.A. 79-2001, or any amendments thereto.

Any fees authorized pursuant to this section which remain unpaid for a period of 60 or more days after the date upon which they were billed may be collected thereafter by the county as provided herein.

(1) At least once a year the board of county commissioners shall cause to be prepared a report of delinquent fees. The board shall fix a time, date, and place for hearing the report and any objections or protests thereto.

(2) The board shall cause notice of the hearing to be mailed to the property owners listed on the report not less than 10 days prior to the date of the hearing.

(3) At the hearing the board shall hear any objections or protests of property owners liable to be assessed for delinquent fees. The board may make such revisions or corrections to the report as it deems just, after which, by resolution, the report shall be confirmed.

(4) The delinquent fees set forth in the report as confirmed shall constitute assessments against the respective parcels of land and are a lien on the property for the amount of such delinquent fees. A certified copy of the confirmed report shall be filed with the county clerk for the amounts of the respective assessments against the

respective parcels of land as they appear on the current assessment roll. The lien created attaches upon recordation, in the office of the county clerk of the county in which the property is situated, of a certified copy of the resolution of confirmation. The assessment may be collected at the same time and in the same manner as ordinary county ad valorem property taxes are collected and shall be subject to the same penalties and the same procedure and sale in case of delinquency as provided for such taxes. All laws applicable to the levy, collection, and enforcement of county ad valorem property taxes shall be applicable to such assessment.

Any city collecting solid waste fees or charges may collect delinquent fees or charges for garbage and trash storage, collection and disposal in the manner provided for counties.

(b) In carrying out its responsibilities, any such city or county may adopt ordinances, resolutions, regulations and standards to implement an approved solid waste management plan, to conduct operations necessary to administer the plan and to carry out its purposes and provisions; and for the storage, collection, transportation, processing and disposal of solid wastes and recyclables which shall be in conformity with the rules, regulations, standards and procedures adopted by the secretary for the storage, collection, transportation, processing and disposal of solid wastes and recyclables.

(c) Cities or counties may contract with any person, city, county, other political subdivision or state agency in this or other states to carry out their responsibilities to implement an approved solid waste management plan including any operations necessary to administer the plan and carry out its purposes and provisions; and for the collection, transportation, processing and disposal of solid wastes and recyclables.



Senate Natural Resources  
January 30, 2009  
Attachment #2

# Westar Energy, Inc.

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Bill Eastman – Director Environmental Services

## Testimony

before the

Senate Natural Resources Committee

Senator McGinn, Chair

**“Air Quality Improvement Update”**

January 30, 2009



## ■ Clean Air Act

### ◆ Clean Air Visibility Rule “aka” Regional Haze “aka” CAVR

- Visibility impacts in National Parks & Wilderness Areas
- Visibility impacts, or haze, has increased
- Goal = return natural areas to natural conditions







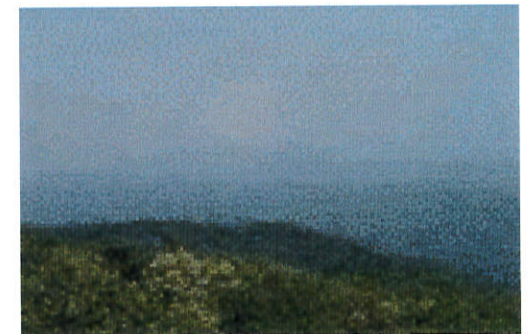
# Air Quality Improvement Update

## ■ Clean Air Act

### ◆ CAVR

#### ● Haze

- Manmade and natural sources
- Fine particulate and precursors
- Sulfur dioxide(s), nitrous oxide(s), particulate





# Air Quality Improvement Update

## Emission Controls

### Particulate Removal Devices

- Electrostatic Precipitator
- Baghouse/fabric filter



### Low NOx Systems

- Burners
- Over-fired air
- Neural net
- Water injection



### Sulfur Dioxide Scrubbers

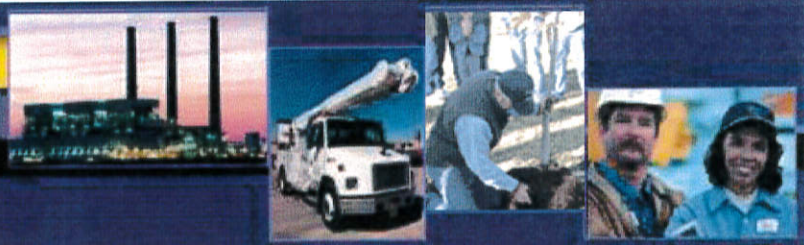
# Air Quality Improvement Update



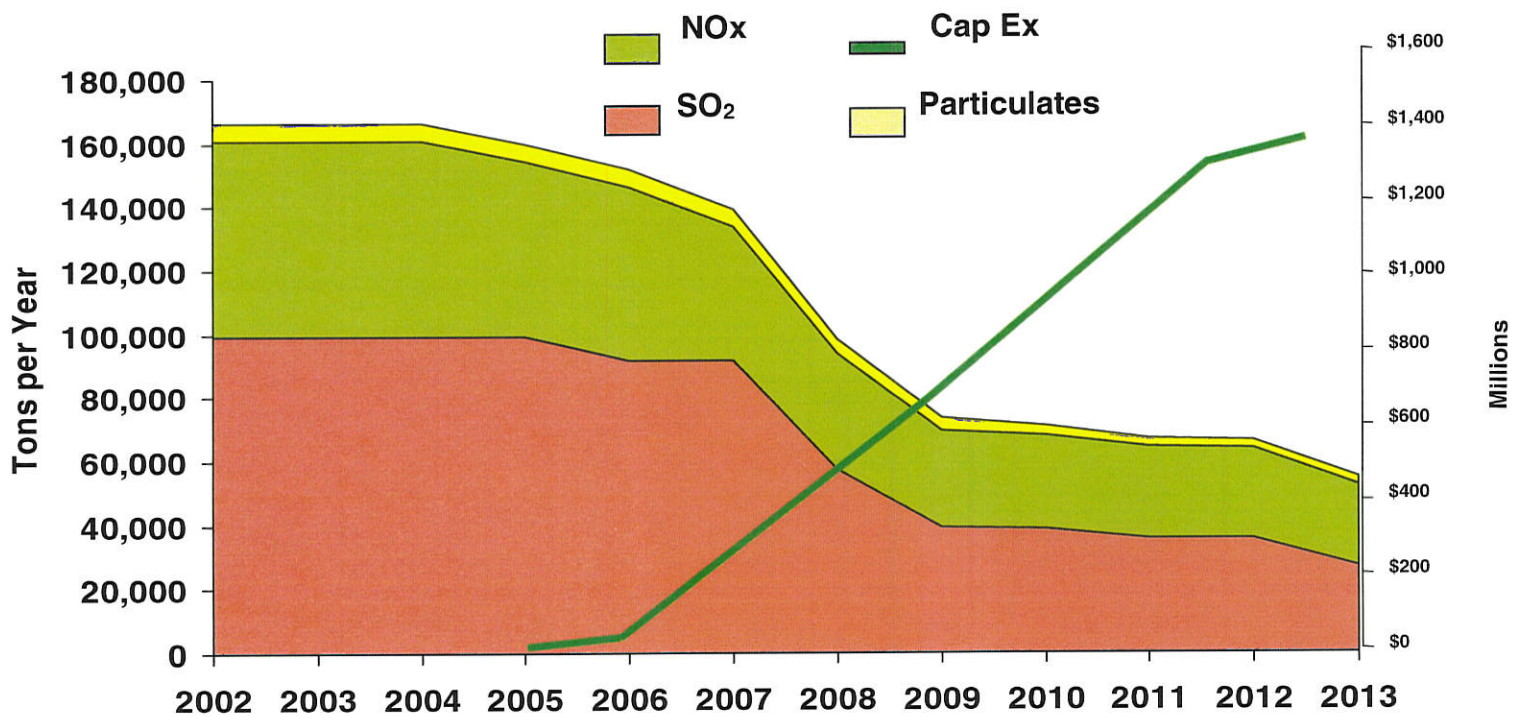
## ■ Eight to 10 year program to improve air emissions

- ◆ Investments to reduce SO<sub>2</sub>, NO<sub>x</sub>, and particulates
- ◆ Currently rebuilding three scrubbers at JEC
  - Project estimate ≈ \$450 million
    - First unit in-service July 2008, 2<sup>nd</sup> in-service November '08
  - On schedule for:
    - Third unit planned in service spring of 2009
- ◆ Installing Low NO<sub>x</sub> Systems on three units at JEC
- ◆ Completed installations of Low NO<sub>x</sub> and particulate removal @ TEC
- ◆ Fabric filters/baghouses and scrubbers rebuilds planned for LEC
- ◆ Installed Low NO<sub>x</sub> systems on EEC and GEEC combustion turbines
- ◆ Additional controls planned at LEC, TEC, & La Cygne

# Air Quality Improvement Update



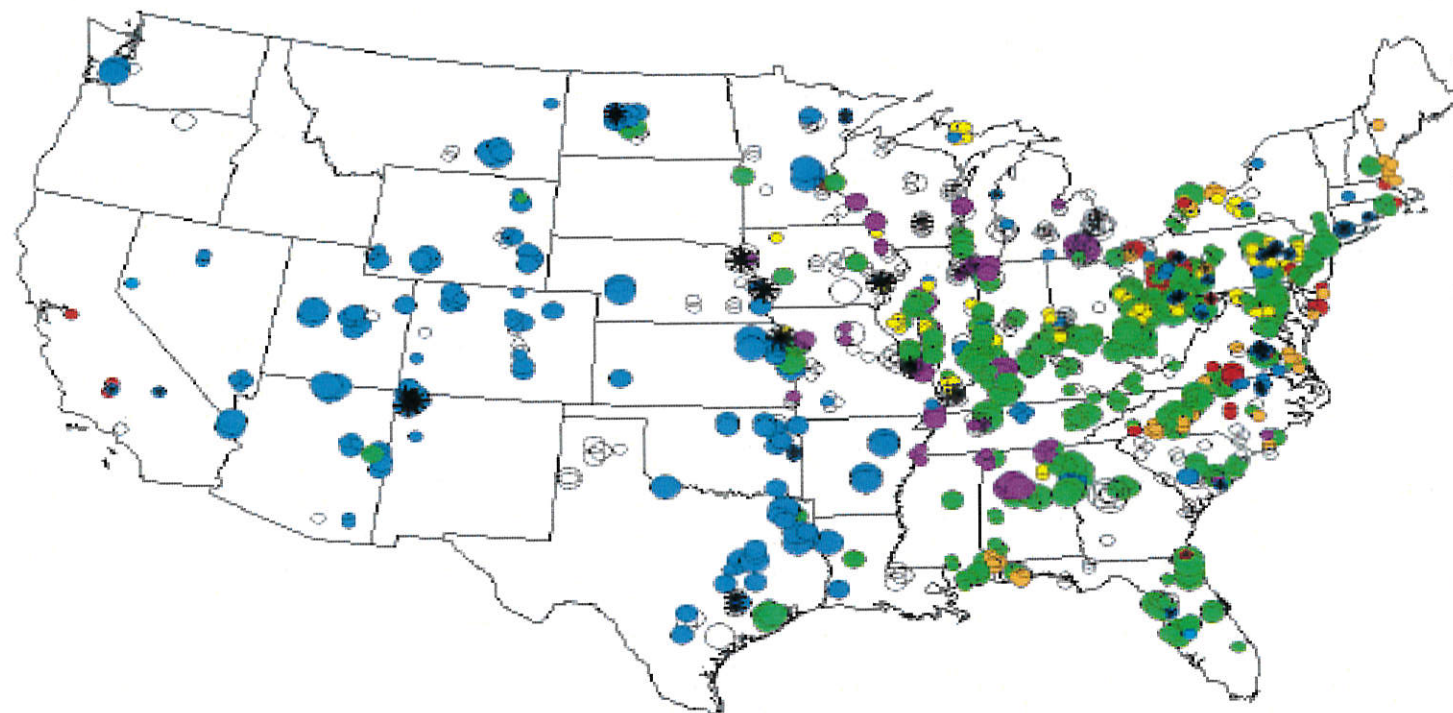
Capital Expenditures to Reduce Emissions





# Air Quality Improvement Update

Projected Retrofits at Coal-Fired Units  
After CAIR/CAMR/CAVR in 2020



- SCR Only**
  - <300 MW
  - 300 MW to 600 MW
  - >=600 MW
- SCR/Scrubber**
  - <300 MW
  - 300 MW to 600 MW
  - >=600 MW
- SNCR Only**
  - <300 MW
  - 300 MW to 600 MW
  - >=600 MW
- SNCR/Scrubber**
  - <300 MW
  - 300 MW to 600 MW
  - >=600 MW
- Scrubber Only**
  - <300 MW
  - 300 MW to 600 MW
  - >=600 MW
- IGCC**
  - <300 MW
  - 300 MW to 600 MW
  - >=600 MW
- Repower**
  - <300 MW
  - 300 MW to 600 MW
  - >=600 MW
- Low NOx Burner**
  - <300 MW
  - 300 MW to 600 MW
  - >=600 MW
- Non-Economic**
  - <300 MW
  - 300 MW to 600 MW
  - >=600 MW

ACI: Starbursts within circles represent activated carbon injection retrofits.

\* Retrofits include Title IV, NOx SIP Call and other State programs.  
"Non-Economic" indicates that a unit is projected to stop operating.  
Coal-fired units also have additional particulate controls not shown.

Source: EPA, 2006



## Questions?

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Bill Eastman – Director - Environmental Services

785-575-8142

[bill.eastman@westarenergy.com](mailto:bill.eastman@westarenergy.com)

Senate Natural Resources Committee  
NO<sub>x</sub>, SO<sub>2</sub> and Hg Emissions  
Report by  
Kansas City Power & Light

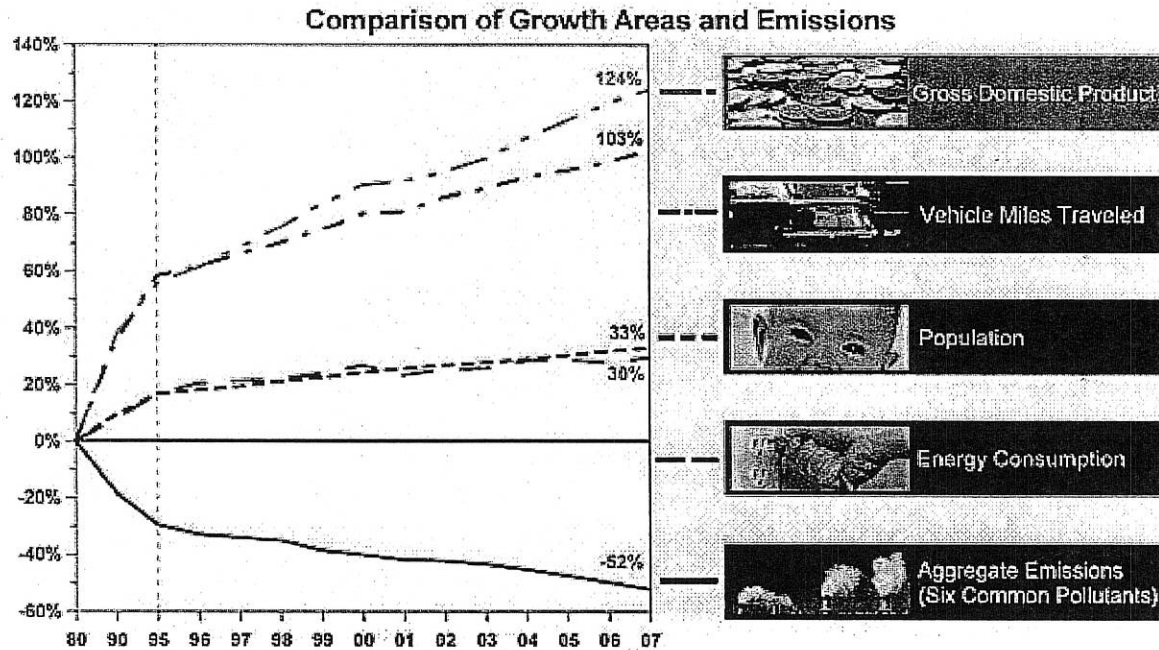
January 29, 2009

Scott Jones – KCP&L  
Manager, Kansas Government Affairs  
816-556-2458; scott.jones@kcpl.com

# US Growth and Emissions

## Comparison of Growth Areas and Emissions, 1980-2007

Source: EPA <http://www.epa.gov/airtrends/sixpoll.html>

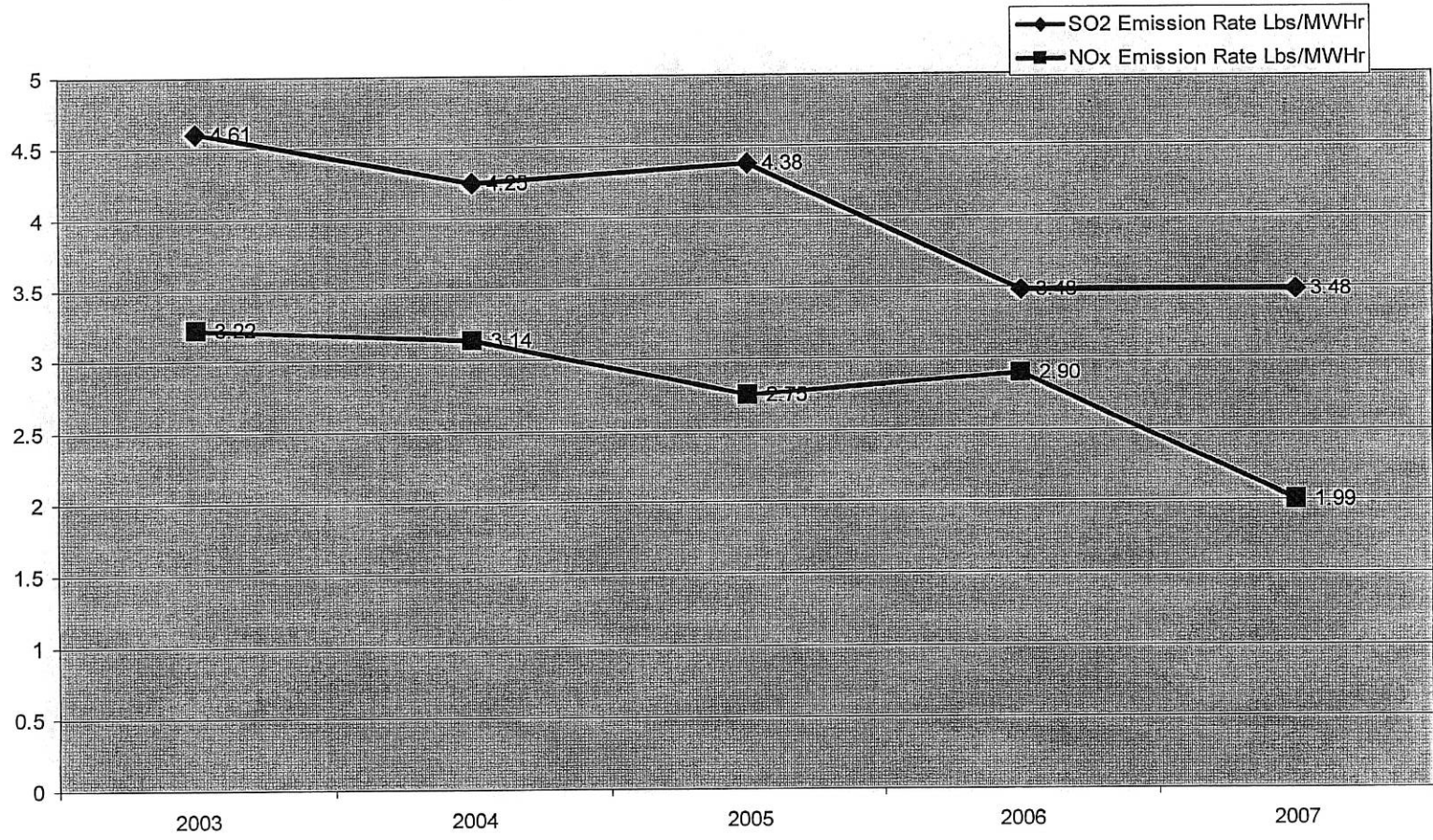


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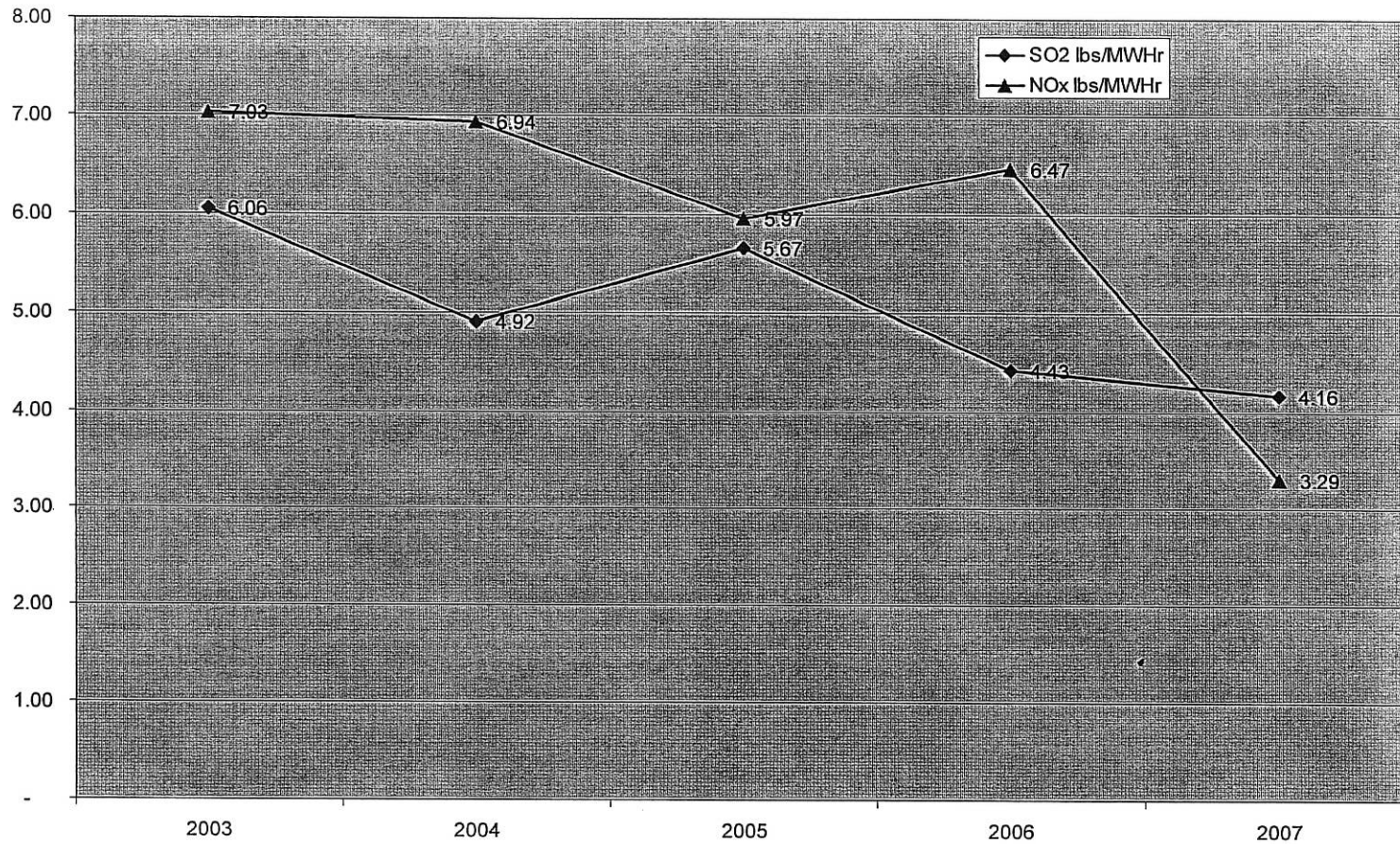
# KCP&L System Emissions

KCP&L System Wide NOx and SO2 Rates  
CEMS Reported Emissions and Gross MWhrs  
Share of Jointly Owned Plants Including Fossil, Nuclear and Wind



# La Cygne Generating Station Emissions

La Cygne Generating Station Annual Emission Rate SO<sub>2</sub> and NO<sub>x</sub>  
CEMS Reported Emissions and Gross MWhrs



1/29/2009

3-4

# KCP&L La Cygne Station – Mercury Emissions

Hg Emissions historically remain relatively constant at the station

- Measurement and calculation methodology contribute to variation in reported emissions
- Such small quantity is also a factor in accurate measurement

Hg CEMS are installed on all KCP&L coal-fired units

- Goal to be operational in 2009, but encountering technological challenges

Hg Emission Control Equipment

- Existing La Cygne Station Emission Controls:
  - Unit 1: New SCR installed mid-2007 converts some Hg from elemental to ionized state which allows additional removal in existing Scrubber
  - Unit 2: Precipitator has some Hg reduction capability
- Potential La Cygne Station Emission Controls being studied:
  - Units 1 & 2: SCR, Scrubber and Baghouse also have the additional benefit of Hg reduction

# KCP&L La Cygne Generating Station Regional Haze Agreement

KCP&L and KDHE agree that these emission limits for La Cygne Units 1 and 2 will meet or be less than the presumptive emission limits established by 40 CFR Part 51, Appendix Y, averaged for Units 1 and 2. Unless otherwise specified in this Agreement, within 5 years of EPA's approval of the Kansas Regional Haze State Implementation Plan, KCP&L agrees to install the emissions control and process equipment as expeditiously as possible, as required by 40 CFR 51.308(e)(1)(iv) and in subparagraph E below, and to implement any necessary operating procedures in order to achieve the following:

# KCP&L La Cygne Generating Station Regional Haze Agreement

- A. Nitrogen Oxides (NOx): 0.13 lb/mmBTU based on a 30-day rolling weighted average of both Units 1 and 2, excluding periods of startup and shutdown. During an extended outage of La Cygne Unit 2 (duration in excess of 10 weeks), KCP&L will submit a plan for Unit 1 to KDHE to achieve compliance with the presumptive NOx limit of 0.10 lb/mmBTU on a 30-day rolling average excluding periods of startup and shutdown.
- B. Sulfur Dioxide (SO2): 0.1 lb/mmBTU on a 30-day rolling average of both Units 1 and 2, excluding periods of startup and shutdown.
- C. PM10 filterable: 0.015 lbs/mmBTU, based on either an average of 3 one-hour stack tests annually using an approved test method for filterable PM10, or KCP&L will comply with KDHE approved Continuous Assurance Monitoring (CAM) plan for PM10 filterable before baghouses go online for La Cygne Unit 1 and La Cygne Unit 2, at the discretion of KCP&L.
- D. PM10 total: 0.024 lbs/mmBTU, based on either an average of 3 one-hour stack test annually, using an approved test method for filterable PM10 and Method 202 or an approved test method for condensable PM as modified to remove artifact bias subject to KDHE approval, or KCP&L will comply with the KDHE approved CAM plan for PM10 total before baghouses go online for LaCygne Units 1 and 2, at the discretion of KCP&L.

# KCP&L La Cygne Generating Station Regional Haze Agreement

- E. Schedule: KCP&L will issue a Request For Proposals (RFP) for equipment needed to achieve the aforesaid emissions limits by December 31, 2008. The RFP will request that construction commence by December 31, 2010. KCP&L will install and operate BART as expeditiously as practical, but in no event later than 5 years after approval of the SIP or June 1, 2015, which ever date occurs first.

1/29/2009

# KCP&L La Cygne Station – Potential Emission Control Equipment

## Existing La Cygne Station Emission Controls:

- Unit 1: Scrubber for SOx and particulate control and SCR (Operational mid-2007) for NOx control
- Unit 2: Precipitator for particulate control

## Potential La Cygne Station Emission Controls being studied:

- Unit 1: New scrubber for SOx and baghouse for particulate control
- Unit 2: Low-NOx burners, over fire air and SCR for NOx control, scrubber for SOx control and baghouse for particulate control

Thank You

1/29/2009

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3-10