KANSAS OFFICE of
REVISOR of STATUTES
LEGISLATURE of THE STATE of KANSAS
Legislative Attorneys transforming ideas into legislation.

300 SW TENTH AVENUE ▪ SUITE 24-E ▪ TOPEKA, KS 66612 ▪ (785) 296-2321

MEMORANDUM

To: Chairman Olson and Members of the Senate Committee on Utilities

From: Matt Sterling, Assistant Revisor of Statutes

Date: 02/17/2015

Subject: Senate Bill 151

SB 151 would amend K.S.A. 65-3031 to: restrict the ability of the Secretary of the KDHE from implementing any carbon emission trading mechanism, require KCC review of voluntary emissions programs and any new standards of performance for existing electric generating units, and have the KCC serve as official intervenor for public hearings held by the KDHE concerning adoption of any such voluntary agreements or standards.

Under current law, the Secretary of the Kansas Department of Health and Environment may implement carbon emission standards through flexible regulatory mechanisms, including the averaging of emissions, emissions trading or other alternative implementation measures that the secretary determined to be in the interest of Kansas. The secretary may also enter into voluntary agreements with utilities to implement these carbon dioxide emissions standards. The bill would remove the secretary's authority to implement any carbon emission trading mechanism without specific statutory authority and would require that, prior to implementing any voluntary agreement with a utility, the KDHE hold a public hearing and provide notice to the Kansas Corporation Commission. In any such hearing, the KCC would serve as an official intervenor and could seek judicial review of any order issued by the Secretary of the KDHE.

Before the KDHE could establish any standard of performance for an existing electric generating unit or any voluntary agreement implementing carbon dioxide emissions standards between the KDHE and a utility, the KCC would review such standards or agreement and issue an order for the KDHE to adopt. In reviewing the agreement and making recommendations to the KDHE, the KCC would conduct an investigation to determine: each utility's re-dispatch options and the associated costs, the lowest possible cost re-dispatch options for the entire state, and that the reliability of the electric grid would be maintained. The KCC would have to issue this order within 300 days of receiving notice from KDHE. The 300-day period could be extended by agreement.