



**Testimony of Brad Loveless
Executive Director, Environmental Services, Westar Energy
On Behalf of Westar Energy, KCP&L and Empire District Electric
Before Senate Utilities Committee
Regarding SB170
February 19, 2015**

Good afternoon Chairman Olson and members of the Committee. I am Brad Loveless, Executive Director of Environmental Services at Westar Energy, and I'm pleased today to address you on behalf of KCP&L, Westar Energy, and Empire District Electric. We are opposed to Senate Bill 170.

This committee has heard from several speakers in the last few weeks all attesting to the difficulty Kansas will have meeting the EPA's proposed reductions in CO₂ emissions and associated risks to grid reliability. And you heard more about this issue on Tuesday during the hearing on SB151.

Senate Bill 170 allows no action at all to be taken by the Kansas Department of Health and Environment (KDHE) to develop a state plan pursuant to Section 111(d) rule (a.k.a. Clean Power Plan) until the exhaustion of judicial review as to the rule's legality. Judicial review is likely to continue well past the effective date of the final rule and past many of the compliance dates, including the date for the KDHE to submit a state compliance plan. The result is that the EPA will impose a federal plan on Kansas.

Once the KDHE is allowed to begin drafting a plan, the bill then requires submitting the state compliance plan to the:

- a. House committee on energy and environment,
- b. Senate committee on utilities,
- c. Kansas Corporation Commission (KCC), and
- d. Federal Energy Regulatory Commission (FERC).

All four of these entities would have to review the state plan before it is submitted to the EPA for approval. The reviews, the hearings, the report writing, and the dockets at the state and federal level would easily take months, if not years, to complete. Kansas has one year from the date of the final 111(d) rule's implementation to submit a plan to the EPA. Otherwise, the EPA imposes a federal compliance plan on all Kansas utilities. As the three utilities that produce a significant portion of the state's electricity, we are very concerned about having a federal plan imposed on us.

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Paul Ling of KCP&L mentioned in his testimony on Tuesday that the three utilities have spent the last year in multiple discussions with the EPA and the KDHE. We believe the 111(d) rule as written is seriously flawed, and we have submitted detailed comments to that effect to the EPA. It will not be an easy rule with which to comply, but we fully support a plan produced within the state rather than being compelled to comply with a federal plan. Our regulators work with us frequently on many issues related to our air emissions, generation sources, etc. We believe they can do that job, as they have done in the past, in a way that satisfies the rule and has the least impact on Kansans.

Senate Bill 170 assures that a state plan will not be submitted in a timely manner. This will result in the EPA subsequently imposing a federal plan with Kansas having no input into this significant regulatory matter.

Thank you for your consideration of these comments, and I am pleased to respond at the appropriate time to any questions the Committee may have.