

REPORTS OF STANDING COMMITTEES

MR. SPEAKER:

The Committee on **Energy and Environment** recommends **HB 2233** be amended on page 1, in line 29, by striking all after "(a)"; by striking all in lines 30 and 31; in line 32, by striking all before "the" and inserting "In accordance with the requirements of the environmental protection agency's rulemaking pursuant to docket EPA-HQ-OAR-2013-0602, the secretary may develop and submit to the environmental protection agency a state plan for compliance with the regulation of carbon dioxide from any affected or existing electric generating units pursuant to 42 U.S.C. § 7411.";

On page 2, in line 26, by striking "such standards through flexible"; by striking all in line 27; in line 28, by striking all before "that" and inserting "a state plan through regulatory mechanisms that may include administrative regulations, permits, agreements or other flexible regulatory measures"; in line 30, by striking "implement a" and inserting "permit participation in an organized"; also in line 30, by striking "mechanism" and inserting "market"; in line 31, by striking "for the mechanism. The secretary may enter"; by striking all in lines 32 through 42; in line 43, by striking all before the period and inserting ". In order to achieve a mass-based or rate-based goal, nothing in this act shall be construed to prohibit a Kansas utility: (1) With multiple affected units in one or more states from sharing, aggregating or purchasing emissions among such utility's units; or

(2) from sharing, aggregating or purchasing emissions between other Kansas utilities with affected units";

On page 3, in line 1, after the second "any" by inserting "affected or"; also in line 1, after "existing" by inserting "jurisdictional"; in line 3, by striking all after "shall"; by striking all in

lines 4 through 7; in line 8 by striking all before "determine" and inserting "conduct a joint investigation with the state corporation commission pursuant to K.S.A. 65-3005 and 66-106, and amendments thereto, and hold a joint hearing pursuant to procedures under K.S.A. 77-501 et seq., and amendments thereto, as applied to the state corporation commission. In establishing any standard of performance or flexible regulatory mechanism pursuant to this section, the secretary and the state corporation commission shall: (1) Exercise the secretary's and commission's respective existing statutory authority over the affected utilities;

(2) determine each utility's re-dispatch options along with the cost of each option;

(3) "; in line 10, by striking "(3)" and inserting "(4)"; also in line 10, by striking "the recommended options maintain" and inserting "any option selected maintains"; by striking all in lines 12 through 23; following line 23, by inserting "(5) issue a joint final order establishing the compliance goal and defining the regulatory mechanisms for the state plan, which provides a detailed explanation of the joint findings; and

(6) issue a joint interim order within 180 days of initiation of the joint investigation, if necessary to submit a state plan within any deadline imposed by the environmental protection agency. If a joint interim order is issued, it shall establish the compliance goal and define the regulatory mechanisms for the state plan. The secretary shall request an extension upon submission of the state plan.

(e) After issuance of a joint interim order, the secretary shall promulgate and submit a state plan establishing the compliance goal and regulatory mechanisms approved in the joint order. If the findings of a joint final order differ from those of the joint interim order, the secretary shall promulgate and submit modifications to the state plan to the environmental protection agency by the department to incorporate the findings approved in that joint final order.

(f) The secretary shall submit the state plan to the legislature concurrent with the start of the

public notice period for the state plan. The state plan will be submitted to the senate committee on utilities and the house of representatives committee on energy and environment committees or other committees designated by the legislative coordinating council for review and approval. If the legislature is not in session when the plan is submitted for review, the legislative coordinating council will designate an alternate joint committee to review the state plan. The committees shall complete their respective reviews within 60 days. The state plan shall be considered approved unless both committees vote to disapprove the plan within the 60-day review period. If a committee votes to disapprove the plan, the committee shall indicate the reasons for such disapproval. The secretary shall make any necessary changes to the proposed state plan and resubmit the plan for approval by the committees. The committees shall each take action to approve or disapprove any resubmitted plan within 30 days of receiving any resubmitted plan or else the plan will be considered approved as submitted.

(g) Notwithstanding approval by the legislature, or by any legislative committee pursuant to subsection (f), of the submission of a state implementation plan to the environmental protection agency, further action by the secretary to implement or enforce the final approved state implementation plan is dependent upon the final adoption of the federal emission guidelines. If the federal emission guidelines are not adopted or are adopted and subsequently suspended, vacated, in whole or in part, or held to not be in accordance with the law, the secretary shall suspend or terminate, as appropriate, further action to implement or enforce the state implementation plan."; also on page 3, in line 24, by striking "(f)" and inserting "(h)"; and the bill be passed as amended.

Chairperson