

SESSION OF 2016

SUPPLEMENTAL NOTE ON SENATE BILL NO. 318

As Amended by House Committee of the Whole

Brief*

SB 318 would repeal the Kansas Electric Transmission Authority Act statutes that established the Kansas Electric Transmission Authority (KETA). In addition, the bill would abolish the KETA Administrative Fund and the KETA Development Fund and transfer the balances and liabilities of those funds to the the Public Service Regulation Fund of the Kansas Corporation Commission. The bill also would remove the exceptions for KETA from the current list of exceptions to the Kansas Open Records Act.

In addition, the bill would suspend all state agency activities, studies, and investigations that are in furtherance of the preparation of an initial submittal, or the evaluation of any options for the submission of a final state plan pursuant to the U.S. Environmental Protection Agency (EPA) docket EPA-HQ-OAR-2013-0602, codified as 40 CFR part 60 (Clean Power Plan). The suspension of state agency activities would continue until the stay on the implementation of the Clean Power Plan is lifted. (The U.S. Supreme Court issued a stay on February 9, 2016, with regard to the implementation of the Clean Power Plan.) State agencies would still be able to communicate with, or provide information amongst each other in furtherance of any of the agency's statutory obligations.

The bill would be in effect upon publication in the *Kansas Register*.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

Background

The bill was introduced by the Senate Committee on Utilities. At the Senate Committee hearing, representatives of Americans for Prosperity – Kansas, Westar Energy, Kansas City Power & Light, and Empire District Electric testified in favor of the bill.

Representatives of WindSoHy and the Kansas Sierra Club testified in opposition to the bill. Written testimony in opposition to the bill was submitted by a representative of the Climate+Energy Project.

Neutral testimony was presented by the KETA Chairman, KETA Secretary, and a member of KETA, all three of whom were appointed by the Governor.

The Senate Committee of the Whole amended the bill to address the recent stay granted by the U.S. Supreme Court on the implementation of the Clean Power Plan by adding language to suspend all state agency activities related to this implementation until the stay is lifted.

At the hearing in the House Committee on Energy and Environment, representatives of Americans for Prosperity – Kansas, the Kansas Department of Health and Environment, and Westar Energy testified in favor of the bill. Written testimony in favor of the bill was submitted by a representative of the Kansas Corporation Commission.

A representative of the Kansas Sierra Club testified in opposition to the bill. Written testimony in opposition to the bill was submitted by a representative of the Climate+Energy Project.

Written neutral testimony was presented jointly by the KETA Chairman, KETA Secretary, and a member of KETA.

The House Committee amended the bill to clarify the type of activities state agencies should suspend pursuant to the EPA docket, and ensure state agencies would still be able to communicate with, or provide information to, each other in furtherance of any of the agency's statutory obligations.

The House Committee of the Whole amended the bill to transfer the balances and liabilities of the KETA Administrative Fund and the KETA Development Fund to the Public Service Regulation Fund of the Kansas Corporation Commission, rather than to the State General Fund.

The fiscal note prepared by the Division of the Budget on the bill, as introduced, states enactment of the bill would result in a transfer of \$251,356 from the KETA Administrative Fund to the State General Fund. The KETA Development Fund currently is inactive. Any fiscal effect associated with the bill is not reflected in *The FY 2017 Governor's Budget Report*.