

As Amended by House Committee

Session of 2014

HOUSE BILL No. 2636

By Committee on Energy and Environment

2-11

1 AN ACT concerning the secretary of health and environment relating to air
2 quality standards.

3
4 *Be it enacted by the Legislature of the State of Kansas:*

5 Section 1. (a) For all coal-fired and natural gas electric generating
6 units that are affected units pursuant to ~~section 111(d)~~ of 42 U.S.C. §
7 ~~7411~~**7401 et seq.**, as in effect on the effective date of this act, that have
8 been constructed or have received a prevention of significant deterioration
9 permit by July 1, 2014, the secretary of health and environment shall
10 establish separate standards of performance for carbon dioxide emissions
11 based upon: (1) The best system of emission reduction that has been
12 adequately demonstrated while considering the cost of achieving such
13 reduction;

14 (2) reductions in emissions of carbon dioxide that can reasonably be
15 achieved through measures taken at each electric generating unit; and

16 (3) efficiency and other measures that can be undertaken at each
17 electric generating unit to reduce carbon dioxide emissions without any
18 requirements for fuel switching, co-firing with other fuels or limiting the
19 utilization of the unit.

20 (b) In establishing any standard of performance for any existing
21 electric generating unit pursuant to this section, the secretary may consider
22 alternative standards and metrics or may provide alternative compliance
23 schedules than those provided by federal rules or regulations by
24 evaluating: (1) Unreasonable costs of achieving an emission limitation due
25 to plant age, location or the design of an electric generating unit;

26 (2) any unusual physical or compliance schedule difficulties or
27 impossibility of implementing emission reduction measures;

28 (3) the cost of applying the performance standard to an electric
29 generating unit;

30 (4) the remaining useful life of an electric generating unit;

31 (5) any economic or electric transmission and distribution impacts
32 resulting from closing the electric generating unit if compliance with the
33 performance standard is not possible; and

34 (6) the potential for a standard of performance relating to unit
35 efficiency, including any requirements for a new source review or the
36 application of a best available control technology emission limitation for

1 any criteria pollutant as a condition of receiving a permit or authorization
2 for the project.

3 (c) The secretary may implement such standards through flexible
4 regulatory mechanisms, including the averaging of emissions, emissions
5 trading or other alternative implementation measures that the secretary
6 determines to be in the interest of Kansas. The secretary may enter into
7 voluntary agreements with utilities that operate fossil-fuel based electric
8 generating units within Kansas to implement these carbon dioxide
9 emission standards. Such agreements may aggregate the carbon dioxide
10 emissions levels from electric resources in this state, including coal,
11 petroleum, natural gas or renewable energy resources as defined in K.S.A.
12 66-1257, and amendments thereto, that are owned, operated or utilized by
13 power purchase agreements by utilities for purposes of determining
14 compliance with such carbon dioxide emission standards.

15 **(d) This section shall be part of and supplemental to the Kansas**
16 **air quality act.**

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