

{As Amended by Senate Committee of the Whole}

{As Amended by House Committee of the Whole}

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 ~~74117401 et seq. {7411}~~, as in effect on the effective date of this act, that
8 have been constructed or have received a prevention of significant
9 deterioration permit by July 1, 2014, the secretary of health and
10 environment ~~shall~~ *{may}* establish separate standards of performance for
11 carbon dioxide emissions based upon: (1) The best system of emission
12 reduction that has been adequately demonstrated while considering the
13 cost of achieving such 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

1 performance standard is not possible; and

2 (6) the potential for a standard of performance relating to unit
3 efficiency, including any requirements for a new source review or the
4 application of a best available control technology emission limitation for
5 any criteria pollutant as a condition of receiving a permit or authorization
6 for the project.

7 (c) The secretary may implement such standards through flexible
8 regulatory mechanisms, including the averaging of emissions, emissions
9 trading or other alternative implementation measures that the secretary
10 determines to be in the interest of Kansas. The secretary may enter into
11 voluntary agreements with utilities that operate fossil-fuel based electric
12 generating units within Kansas to implement these carbon dioxide
13 emission standards. Such agreements may aggregate the carbon dioxide
14 emissions levels from electric resources in this state, including coal,
15 petroleum, natural gas or renewable energy resources as defined in K.S.A.
16 66-1257, and amendments thereto, that are owned, operated or utilized by
17 power purchase agreements by utilities for purposes of determining
18 compliance with such carbon dioxide emission standards.

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

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