

February 16, 2015

The Honorable Rob Olson, Chairperson
Senate Committee on Utilities
Statehouse, Room 236-E
Topeka, Kansas 66612

Dear Senator Olson:

SUBJECT: Fiscal Note for SB 151 by Senate Committee on Utilities

In accordance with KSA 75-3715a, the following fiscal note concerning SB 151 is respectfully submitted to your committee.

SB 151 would create the Kansas Electric Ratepayer Protection Act. The bill would require the Kansas Department of Health and Environment (KDHE) to notify the Kansas Corporation Commission (KCC) prior to entering into any agreements with utilities that operate fossil fuel-based electric generating units regarding the establishment of carbon dioxide emission standards. SB 151 would include the following requirements for the KCC:

1. Conduct investigations to determine each jurisdictional utility's re-dispatch options as well as the cost of each of these options;
2. Conduct investigations to determine the lowest possible re-dispatch cost options on a state-wide basis;
3. Ensure that the recommended options maintain the reliability of Kansas' integrated electric system;
4. Issue any order within 300 days of receiving notice from KDHE providing a detailed explanation of the KCC's findings and recommendations; and,
5. Provide KDHE with a copy of the KCC order, including any evidence requested.

The bill would also authorize the KCC to function as the official intervenor in any hearings held as a result of the bill and would also authorize the KCC to seek a rehearing or judicial review of any order or decision made by KDHE.

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The passage of SB 151 would increase FY 2016 fee fund expenditures for the KCC in the range of \$400,000 to \$500,000 to hire outside consultants. The consultants would evaluate re-dispatch models submitted to the KCC by the Southwest Power Pool and other utilities. The fiscal effect of the bill for KDHE would be negligible because any additional work required by the bill would be absorbed with existing resources. Any fiscal effect associated with SB 151 is not reflected in *The FY 2016 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Sullivan", with a horizontal line extending to the right.

Shawn Sullivan,
Director of the Budget

cc: Amy Gilbert, KCC
Shonda Smith, CURB
Aaron Dunkel, Health & Environment