

Approved: 2-9-93
Date

MINUTES OF THE SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES.

The meeting was called to order by Chairperson Don Sallee at 8:00 a.m. on February 5, 1993 in Room 423-S of the Capitol.

All members were present :

Committee staff present: Raney Gilliland, Legislative Research Department
Dennis Hodgins, Legislative Research Department
Don Hayward, Revisor of Statutes
Clarene Wilms, Committee Secretary

Conferees appearing before the committee:
Charles Jones, Director, Division of Environment, KDHE

Others attending: See attached list

The chairman called the attention of the committee to a handout from the Department of Health and Environment which provided information concerning the use of the 4000 ton/year ceiling by other states. Attachment 1

Charles Jones, Department of Health and Environment, provided explanation of Attachment 1. Mr. Jones explained that the intent of the department in keeping with the state law and SB-29 to raise only enough money to cover program costs through the fees. Therefore, expanding the base decreases the cost per ton in order to be sure the program remains revenue neutral. He further noted the 4000 ton cap is consistent with other policies nationwide as shown on page 3 of Attachment 1. The point was made the department is very interested in having a stable revenue base. The department feels that the best yield will be in reducing statewide emissions with the most room for improvement lying with the smaller producers. It was further noted that this action was at the recommendation of the advisory group established by the department.

A committee member asked how much more in fees would be collected if the cap was raised to 8,000 ton. The department replied it would be about \$150,000.

A committee member asked the cost of the total program. The department noted the amount of \$3.7 million covered a three year period and would cover the staff to do the emissions inventory, the establishment of a monitoring program, issuing permits to about 2,400 facilities across the state and fund the small business program.

A member noted that higher caps would generate more fees from the large producers while the lower cap would generate fees from the smaller businesses. Mr. Jones stated this was correct and the reasoning was that the small businesses held more room for yield, that is improve the emissions conditions to improve economic conditions.

Mr. Jones was questioned as to whether this measure would put small businesses out of business and he replied that since Kansas was in attainment this would help small businesses in the least painful manner.

A member noted that by adopting enabling legislation Kansas would come into compliance with the Federal Clean Air Act. The plan submitted to federal authorities may be broader and include regulations but we must satisfy federal authorities that we have a plan that meets their federal statute. Mr. Jones replied we are in attainment as to the criteria of pollutants but attainment in terms of air quality is a different situation than compliance with legal requirements. One requirement whose deadline has passed, is the submission of a small business plan. Without passage of this legislation, the larger problem, would be failure to submit the plan and this would jeopardize the continued privacy on the air program.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES, Room 423-S Statehouse, at 8:00 a.m. on February 5, 1993.

A member expressed concern with language, the terms in the bill which are not utilized in the federal act. A definition of air pollutant in the federal act is different from the definition of air contaminant in SB-29. The department replied that the principles used when the language was drafted was to bring together EPA program staff, Regional EPA attorneys and the department's program staff and attorneys, representatives from the Revisor's office, who basically looked at the current state statute, pulled out of the federal statute those new authorities and specific language that needed to be added to develop an improved statutory base. Those things which didn't need to be changed were not changed.

The committee was reminded that this is not the final form the bill will take, that it will be looked at over the next several years.

Senator Vancrum made a motion to change the "may" to "shall" page 7, line 11, Sec. 6(b) also page 6, line 8, Sec. 5(b). Senator Martin seconded the motion. The motion carried.

Senator Martin made a motion to change the "may" to "shall" page 4, line 19, Sec. 4(a); page 4, line 24, Sec. 4(a) Senator Vancrum seconded the motion. The motion carried.

Senator Martin made a motion to change the "may" to "shall" page 4, line 28, Sec. 4(b); page 4, line 31, Sec. 4(b). Senator Walker seconded the motion. The motion failed.

Senator Martin made a motion to change the "may" to "shall" page 6, line 22, Sec. 4(b); page 6, line 27, Sec. 4(b). Senator Walker seconded the motion. The motion failed.

Senator Martin made a motion to change the "may" to "shall" page 9, line 8, Sec. 8(a). Senator Walker seconded the motion. The motion failed.

Senator Martin made a motion to change the "may" to "shall" page 11, line 8, Sec. 9(a) Senator Walker seconded the motion. The motion failed.

Several committee members suggested the department look at the definitions in conjunction with those used in the federal act and ascertain whether or not the definitions in SB-29 should be changed.

Senator Vancrum made a motion to pass SB-29 out favorable as amended. Senator Emert seconded the motion and the motion carried.

Members were presented with Attachment 2, a communique from the Missouri Department of Conservation voicing their support for pending legislation in Kansas that would allow nonresident deer hunting in the State of Kansas.

The meeting adjourned at 8:50 a.m.

The next meeting is scheduled for February 9, 1993.

GUEST LIST

SENATE COMMITTEE ON ENERGY & NATURAL RESOURCES

DATE February 5, 1993(PLEASE PRINT)
NAME AND ADDRESS

ORGANIZATION

Keith Sexson
 Ted Emery
 JOHN C. Bottenberg
 Whitney Dameron
 Pam Weiler
 Wayne Kitchen
 Al Stallard
 John Petersen
 Jean Barbic
 Ron Smith
 DARRELL MONTEI
 Bill Claver
 CHARLES JONES
 JOHN IRWIN
 Jim Ludwig
 Mike Toney
 Charles H. Hooton
 Rich McKeel
 CR Ruffey

KS Wildlife & Parks
 KPDWD
 BOTTENBERG & ASSOC
 Peter McMillan's Associates
 KS Co-op Council
 Western Resources
 KDOT
 Beech Aircraft
 Travel Industry Assn. of KS
 KS Bookkeepers Association
 K.D.W.P.
 Seneca Club
 KDHE
 KDHE
 WESTERN RESOURCES
 KFCA
 KS Livestock Assoc.
 KS Petro Council

State of Kansas
Joan Finney, Governor



Department of Health and Environment

Robert C. Harder, Secretary

Reply to:

(913) 296-1593

February 4, 1993

The Honorable Don Sallee
Chairman
Senate Energy and Natural
Resource Committee
Room 128 South
State House
Topeka, Kansas 66612

Dear Senator Sallee:

Please find attached copies of information compiled by KDHE on the use of the 4000 ton/year ceiling by other states. This document appears to confirm that this provision is being included in most state air laws.

Finally, we have also included a summary of the emissions for the largest 25 Kansas air sources subject to emission fees under Senate Bill 29 with and without the 4000 ton/year ceiling.

We hope you find these documents useful and would be happy to provide any additional information you might need.

Sincerely,

Charles F. Jones

Charles F. Jones
Director
Division of Environment

clw:Sallee/jci

Senate Energy & Nat'l Resources
February 5, 1993
Attachment 1

Potential Title V Sources

02/04/93

Item No.	Permit Number	FIP	Facility Name	1991 Actual Emission Estimates					Sum of Title V Pollutants	Title V Emissions with 4000 ton/yr ceiling
				SIC Code	PM10 ton/yr	VOC ton/yr	SO2 ton/yr	NO2 ton/yr		
1	29600001	149	KPL GAS SERVICE (JEC)	4911	878	256	39249	26336	66719	9134
2	21000005	107	KANSAS CITY POWER & LIGHT CO.	4911	297	108	12937	11230	24572	8405
3	03400004	015	TEXACO REFINING & MARKETING, INC.	2911	932	4564	5895	3896	15288	12829
4	24400003	125	FARMLAND INDUSTRIES, INC. (REF. DIV.)	2911	651	4306	5414	1747	12118	10398
5	38400048	209	BOARD OF PUBLIC UTILITIES - QUINDARO	4911	63	14	8654	2023	10754	6100
6	38400008	209	BOARD OF PUBLIC UTILITIES - NEARMAN	4911	554	31	5645	3223	9453	7808
7	08600014	045	KPL GAS SERVICE (LEC)	4911	212	36	4120	4944	9311	8248
8	07200004	035	TOTAL PETROLEUM, INC.	2911	583	3566	2814	2233	9196	9196
9	04400002	021	EMPIRE DISTRICT ELECTRIC COMPANY (THE)	4911	56	17	7001	1787	8861	5860
10	08600012	045	FARMLAND INDUSTRIES, INC.	2873	1113	431	1	6200	7746	5546
11	10600023	055	SUNFLOWER ELECTRIC POWER CORPORATION	4911	63	44	2097	4870	7075	6205
12	30600008	155	PANHANDLE EASTERN PIPE LINE COMPANY	4922	19	160	0	6554	6733	4179
13	03400001	015	COASTAL DERBY REFINING CO.	2911	112	722	4514	620	5968	5454
14	22000003	113	NATIONAL COOPERATIVE REFINERY ASSN.	2911	610	1431	2134	1476	5651	5651
15	33800030	177	KPL GAS SERVICE (TEC)	4911	77	14	3075	2413	5579	5579
16	33200020	173	COASTAL DERBY REFINING CO.	2911	428	1673	1574	1362	5037	5037
17	21400007	111	PANHANDLE EASTERN PIPE LINE COMPANY	4922	12	103	1	4242	4358	4117
18	38400049	209	BOARD OF PUBLIC UTILITIES - KAW	4911	20	5	3099	891	4014	4014
19	00400009	001	MONARCH CEMENT COMPANY (THE)	3241	531	5	2636	723	3895	3895
20	23600015	121	PANHANDLE EASTERN PIPE LINE COMPANY	4922	11	92	0	3781	3884	3884
21	31000007	159	NORTHERN NATURAL GAS COMPANY	4922	11	91	1	3734	3836	3836
22	09800002	053	ENRON GAS PROCESSING CO.	4925	22	19	3	3475	3519	3519
23	13000029	067	WILLIAMS NATURAL GAS CO.	4922	9	75	0	3064	3148	3148
24	22000042	113	KANEB PIPELINE OPERATING PARTNERSHIP LP	4613	0	3026	0	0	3026	3026
25	37800022	205	LAFARGE CORPORATION	3241	680	0	1755	482	2917	2917
Total for Top 25 Sources					7944	20792	112618	101303	242657	147983
Title V Sources(1115)					34467	38531	121279	180575	374851	287260
Per cent of Total in Top 25					23.0	54.0	92.9	56.1	64.7	51.5

Impact of 4000 ton/yr Ceiling on Emission Fees

	Emission Base	Estimated Fee Level
With Ceiling	287,260	\$14-\$18/ton
Without Ceiling	374,851	\$11-\$14/ton

FEBRUARY 4, 1993
KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT

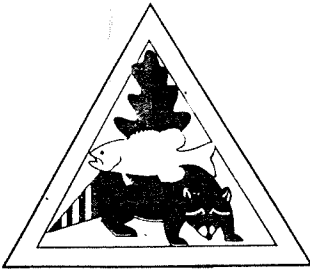
SURVEY OF STATE FEE POLICIES

STATES WITH LEGISLATION	4,000 TON CEILING PROVIDED
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Connecticut	YES
Hawaii	YES
Minnesota	YES
Missouri	YES
Nebraska	YES
New Mexico	NO RESPONSE
South Dakota	YES
Texas	YES
Utah	YES
Washington	YES
Wisconsin	YES
Wyoming	NO RESPONSE

OTHER STATES CONTACTED

Alabama	YES
Alaska	YES
Arizona	NO RESPONSE
Arkansas	YES
Colorado	YES
Georgia	YES
Oregon	YES
Vermont	NO
Virginia	YES



MISSOURI DEPARTMENT OF CONSERVATION

MAILING ADDRESS
P.O. Box 180
Jefferson City, Missouri 65102-0180

STREET LOCATION
2901 West Truman Boulevard
Jefferson City, Missouri

Telephone: 314/751-4115
Missouri Relay Center 1-800-735-2966 (TDD)
JERRY J. PRESLEY, Director

FEB 04 1992

February 2, 1993

Mr. Theodore D. Ensley, Secretary
Kansas Department of Wildlife and Parks
900 SW Jackson Street, Suite 502
Topeka, Kansas 66612-1233


Dear Mr. Ensley:

The Missouri Conservation Commission, at its January 29 meeting, went on record formally supporting the pending legislation in the Kansas General Assembly that would allow nonresident deer hunting in the State of Kansas.

As you may be aware, this Department has repeatedly received requests to prohibit Kansas residents from hunting deer in this state because Missourians could not hunt deer in Kansas. We have been sympathetic to those requests, but resisted reciprocity in our regulations.

We're very encouraged that this inconsistency will now be eliminated, and want to convey our full support to your Department as this legislation is debated and, hopefully, enacted.

Sincerely,


JERRY J. PRESLEY
DIRECTOR

JJP:jr

cc Commissioner Jay Henges
Commissioner Jerry P. Combs
Commissioner Andy Dalton
Commissioner John Powell
Assistant Director Gerald Ross
Assistant Director Ken Babcock
Assistant Director Dave Hurlbut
Commission Secretary
Regulations Committee

Senate Energy & Nat'l Resources
February 5
Attachment 2

COMMISSION

JERRY P. COMBS
Kennett

ANDY DALTON
Springfield

JAY HENGES
St. Louis

JOHN POWELL
Rolla