

IMPACTS OF RECENT USEPA RULEMAKING ON BPU

Energy Committee

State of Kansas House of Representatives

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Director, Environmental Services

Kansas City Board of Public Utilities



Background

Kansas City Board of Public Utilities (BPU)

Electric and Water Utility:

Publicly owned administrative agency of the Unified Government (UG) of Wyandotte County/Kansas City, Kansas

Customer information:

150,000 residents

67,000 electric meters

55,000 water meters

Revenue Sources:

85% electric

15% water



Background

Kansas City Board of Public Utilities (BPU)

BPU Service Area Demographics:

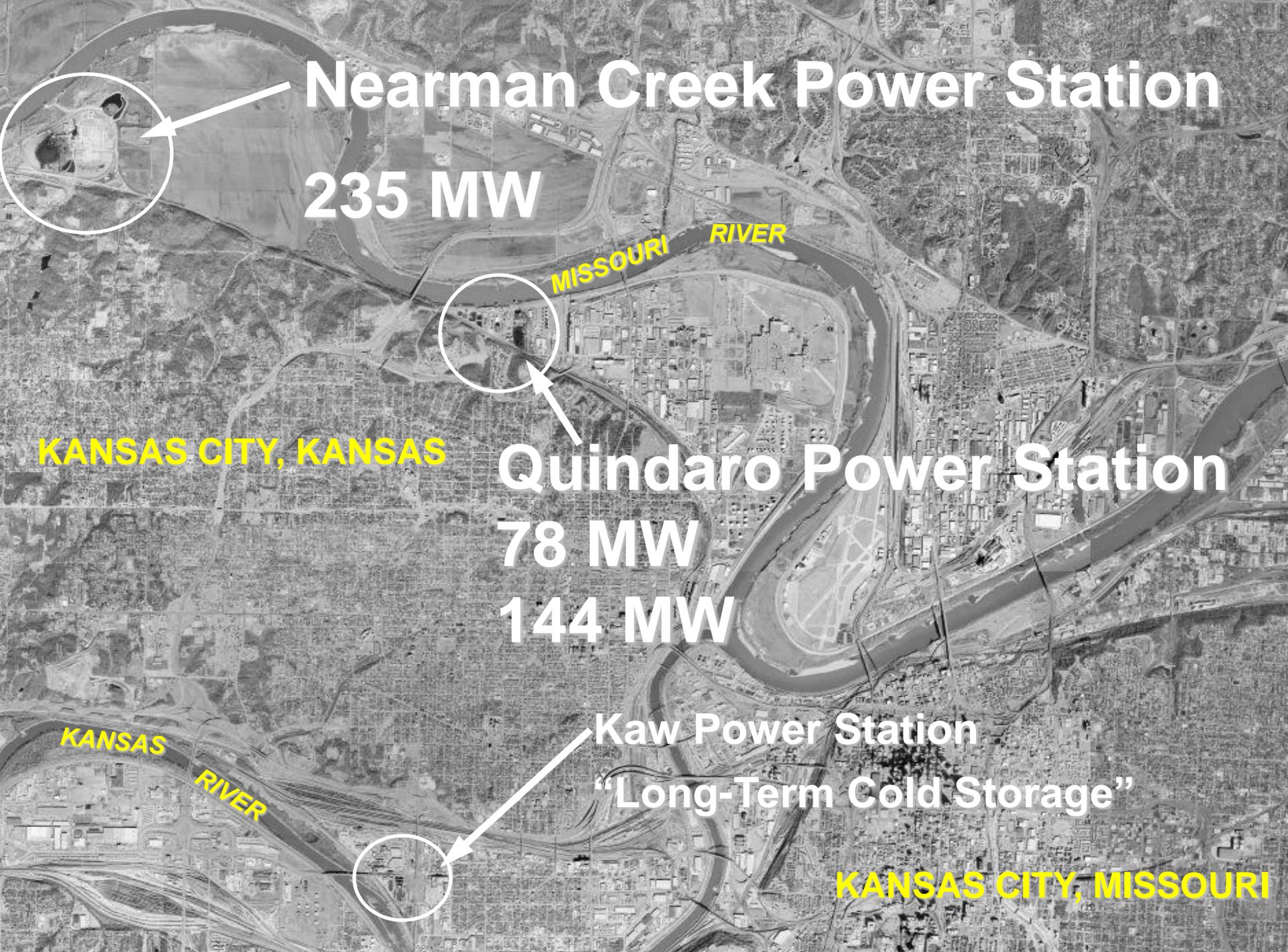
16.5% live below the poverty line

11.2% unemployment rate

14,000 annual “payment arrangements”

6,000 monthly accounts eligible for disconnection





Nearman Creek Power Station

235 MW

MISSOURI RIVER

KANSAS CITY, KANSAS

Quindaro Power Station

78 MW

144 MW

Kaw Power Station

“Long-Term Cold Storage”

KANSAS RIVER

KANSAS CITY, MISSOURI

Current Environmental Issues:

- Cooling Water Intake Structures**
- Coal Combustion Residuals (CCR)**
- Wastewater Discharge Standards**
- National Ambient Air Quality Standards (Ozone)**
- Green House Gas Requirements**
- Utility Maximum Achievable Control Technologies (MACT) – Mercury and Gasses**



Current Environmental Issues:

Cross State Air Pollution Rule (CSAPR)...

Published Final Rule August 8, 2011

Effective October 7, 2011

(Approx 41 Motion to Stay filed with DC District Court)

Compliance Begins January 1, 2012

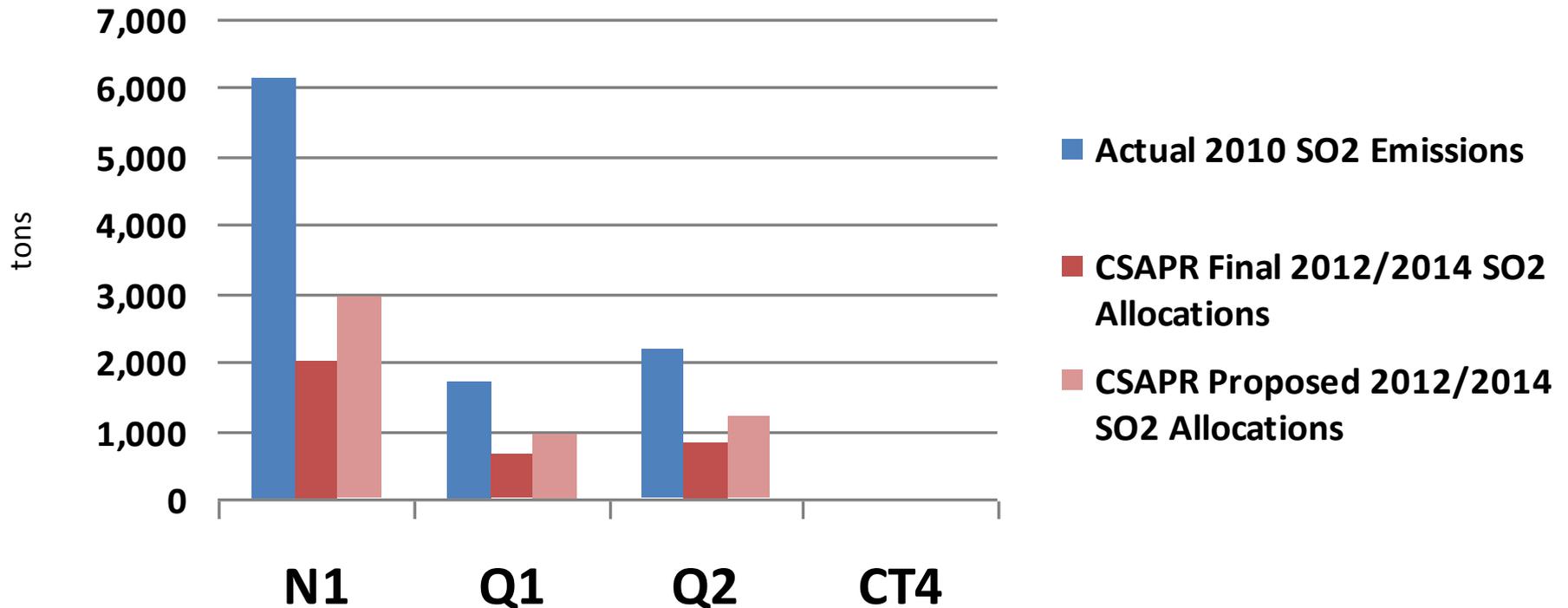
“Stay” issued by DC District Court December 30, 2011

Briefs due to DC District Court April 2012



One Example of CSAPR Allowance Shortfalls...

BPU 2010 SO2 Emissions vs. CSAPR Allocations



Potential NEAR TERM Compliance Solutions:

AIR EMISSION CONTROL EQUIPMENT

SO2 & NOx controls...

Capital: \$9,182,1000

O&M: \$13,960,000

CONVERSION TO NATURAL GAS

Availability & capacity of gas pipelines

Price volatility

PURCHASE POWER FROM THE GRID

Availability of Power

Transmission issues

PURCHASE ALLOWANCES

Financial Constraints as a Public Utility



Potential LONG TERM Compliance Solutions:

FINAL AIR EMISSION CONTROL EQUIPMENT

Scrubbers

Coordination with other emission regulations

OTHER ENVIRONMENTAL SOLUTIONS

Wastewater discharges

Ash handling and disposal

UNIT CLOSURE (Q-1?)

Local grid constraints

PERMITTING AND CONSTRUCTION

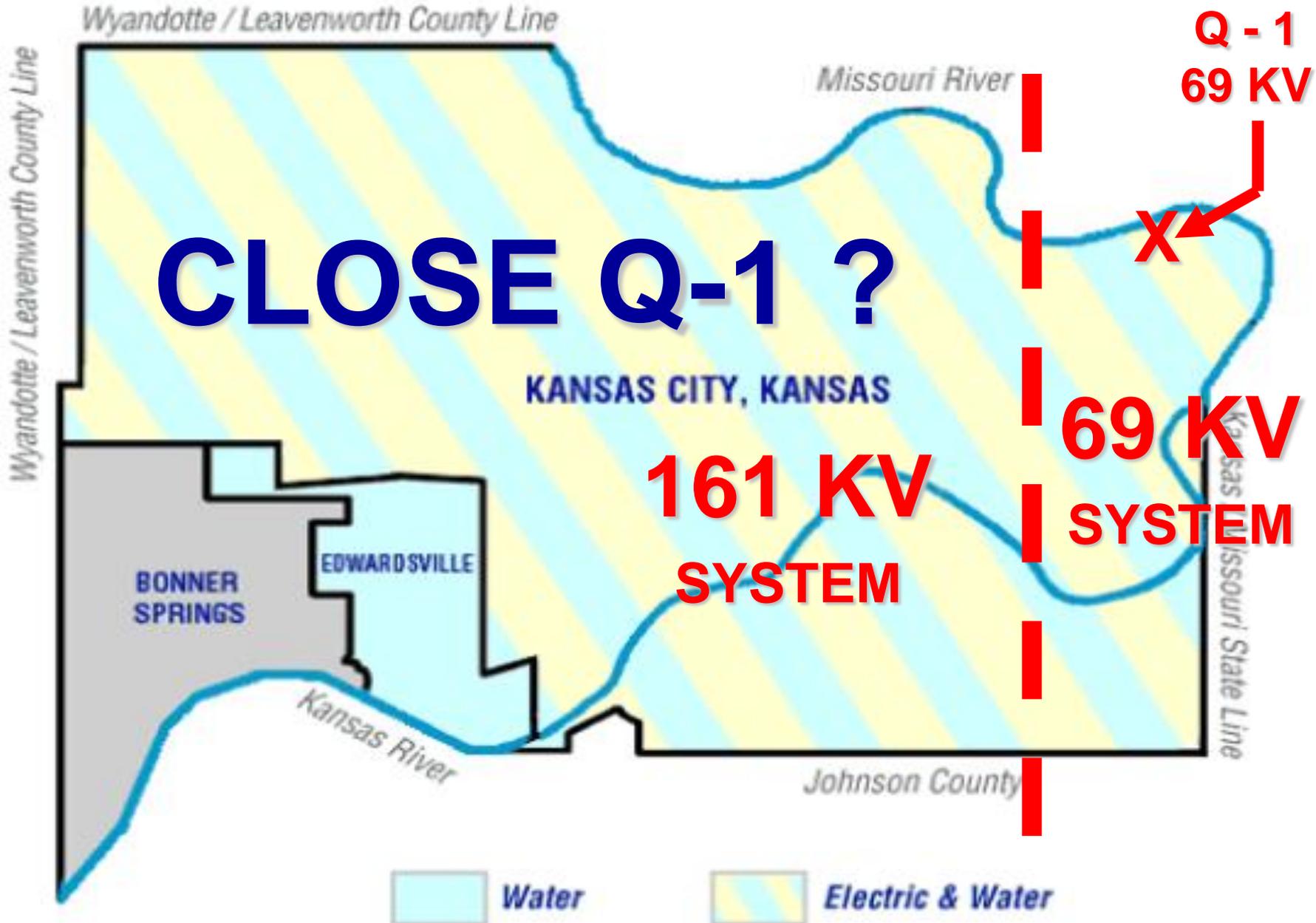
Meteorological tower!

CT-5?

Combined Cycle?



BPU Electric & Water Service Area Map



POWER PRODUCTION LOSS DUE TO EPA RULES:

Will Retire: 12,630 MW

At Risk: 11,358 MW

At Risk (Mo): 851 MW

At Risk (Ks): Unknown

-- Source: Oil & Energy/MSNBC.Com, December 21, 2011



Estimated Compliance

Costs to BPU: \$480,000,000

Rate Increases to Come...

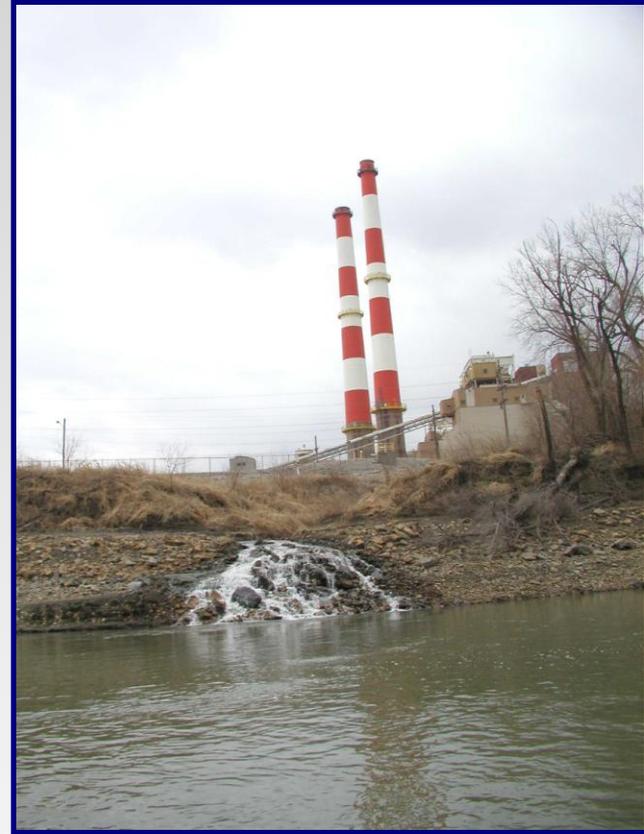


THANKS!

Kansas City Board of Public Utilities



Nearman Creek Power Station



Quindaro Power Station

