

MINUTES OF THE SENATE NATURAL RESOURCES COMMITTEE

The meeting was called to order by Chairman Carolyn McGinn at 8:30 a.m. on February 5, 2009, in Room 446-N of the Capitol.

All members were present.

Committee staff present:

Jason Thompson, Revisor of Statutes Office
Corey Carnahan, Kansas Legislative Research Department
Raney Gilliland, Kansas Legislative Research Department
Alissa Vogel, Committee Assistant

Conferees appearing before the committee:

Darrell Dorsey, Manager of Electric Supply, Board of Public Utilities, Kansas City, Kansas
Wayne Penrod, Executive Manager of Environment, Sunflower Electric Corporation
Woody Moses, Kansas Cement Council
Herb Graves, Kansas Association of Watersheds (written only)

Others attending:

See attached list.

The meeting began with a continuation of the Air Quality Improvement Update Report on: Mercury, Nitrogen Oxide (NOx) and Sulfur Oxides (SOx). Senator McGinn introduced Darrell Dorsey, Manager of Electric Supply of the Kansas City Board of Public Utilities (BPU). He provided the Committee with an introductory fact sheet that contained the 2008 Generation and Supply Data (Attachment 1) and a summary of the Air Quality Report. (Attachment 2)

BPU currently utilizes conventional generators, purchased power, wind power and renewable hydro power. Current BPU initiatives to reduce emissions include: landfill gas generation, energy efficiency and conservation, demand side management, climate protection partnership, building sustainable earth communities and continuous, long range planning.

Mr. Dorsey summarized BPU's history of air quality improvements and technology innovations, including a report on SOx and NOx emissions produced at the three coal-fired units.

Two main drivers behind BPU's initiatives are the ozone issues in the Kansas City area and the Regional Haze Rule (BART). As a result of new federal regulation and BART, BPU may install low NOx burners to two of its units, SCRs to reduce NOx emissions and scrubbers to reduce SOx emissions. BPU is considering the addition of air quality control equipment to all three units, retiring some existing units or replacing units with new facilities. This will have a significant financial impact on BPU, with estimates ranging from 35 to 550 million dollars.

Mr. Dorsey stood for questions.

Wayne Penrod, Executive Manager of Environmental Policy from Sunflower Electric Power Corporation, provided an air quality update report. (Attachment 3) In comparison with four large, new coal-fired facilities, the existing and proposed Holcomb plants rank the lowest for SOx emissions. However, the existing Holcomb plant reported the highest amount of NOx emissions. Sunflower Electric Power Corporation is continuing in its efforts to reduce NOx emissions. The proposed Holcomb plant would contain the low NOx burners.

Sunflower Electric Power Corporation collaborated with the Environmental Protection Agency (EPA) to monitor mercury emissions. In 2004, Sunflower Electric Power Corporation advanced a project to the Department of Energy that would evaluate potential control technology for mercury. The program was a success, and technologies to control mercury were identified. Current efforts to regulate mercury emissions have been hindered by the recent court ruling that overturned EPA mercury rules and the difficulty of installation and function of mercury monitors.

Mr. Penrod stood for questions.

CONTINUATION SHEET

Minutes of the Senate Natural Resources Committee at 8:30 a.m. on February 5, 2009, in Room 446-N of the Capitol.

The Kansas Department of Health and Environment (KDHE) provided Committee members with estimates of SO₂, NO_x, carbon dioxide and mercury emission trends for Kansas coal-fired power plants. (Attachment 4)

Woody Moses, representing the Kansas Cement Council, provided an air quality update report for the Kansas cement industry. (Attachment 5) Strategies the Kansas cement industry has used to reduce SO_x and NO_x emissions include: overall reduction of industry energy use by 30% over the last 30 years, installation of a new preheater and precalciner kiln in Chanute, substitution of hazardous waste for coal, installation of continuous emission monitors and installation of high temperature membrane fabric filter bags and clinker cooler baghouses.

The goal is to further reduce emissions 12% by 2012, through the use of the Strategy for Emission Reduction. This plan strives for increases in efficiency within the manufacturing process and supports research in the application of new pavilion technology and on-line x-ray analyzers for raw material.

Mr. Moses noted that all improvements were privately financed as a result of the revenues derived from the last Comprehensive Transportation Program.

He stood for questions.

Discussion was held on **SB 64**, regarding amendments to the Water Appropriation Act.

Senator Lee suggested removing the striking of “voluntary” and adding the amendment proposed by Farm Bureau, originally intended for **SB 65**, to the language of **SB 64**. (Attachment 6)

Senator Francisco suggested changing the word “disposal” to “transfer,” to better describe the nature of a deed, lease or mortgage. Senator Francisco also stated that if “voluntary” was left in the language, then the wording should be modified in line 12 to “such water right only passes.”

Senator Taddikan suggested deleting the word “other” rather than “voluntary.”

Senator McGinn stated that language in line 16 should be modified to say “a new appropriation” and the italicized language in lines 26-29 is unnecessary.

Senator Francisco suggested that the proposal to add the 14 Beneficial Uses of Water to **SB 64** be revisited at another time.

Discussion on **SB 64** will continue at a date to be determined.

Herb Graves, representing the Kansas Association of Watersheds, submitted written testimony in a neutral position to **SB 65**. (Attachment 7)

The next meeting is scheduled for February 6, 2009.

The meeting was adjourned at 9:30 a.m.