

SESSION OF 2016

**CONFERENCE COMMITTEE REPORT BRIEF
SENATE BILL NO. 318**

As Agreed to March 24, 2016

Brief*

SB 318 would repeal the Kansas Electric Transmission Authority Act statutes that established the Kansas Electric Transmission Authority (KETA). The bill would abolish the KETA Administrative Fund and the KETA Development Fund and transfer all liabilities of those funds to the Public Service Regulation Fund of the Kansas Corporation Commission (KCC). In addition, the bill would transfer \$45,000 from the KETA Administrative Fund to the State General Fund and transfer any remaining moneys from the KETA funds to the Public Service Regulation Fund of the KCC.

In addition, the bill would suspend all state agency activities, studies, and investigations that are in furtherance of the preparation of an initial submittal, or the evaluation of any options for the submission, of a final state plan pursuant to the U.S. Environmental Protection Agency (EPA) docket EPA-HQ-OAR-2013-0602, codified as 40 CFR part 60 (Clean Power Plan). The suspension of state agency activities would continue until the stay on the implementation of the Clean Power Plan is lifted. (The U.S. Supreme Court issued a stay on February 9, 2016, with regard to the implementation of the Clean Power Plan.) State agencies would still be able to communicate with, or provide information amongst, each other in furtherance of any of the agency's statutory obligations.

*Conference committee report briefs are prepared by the Legislative Research Department and do not express legislative intent. No summary is prepared when the report is an agreement to disagree. Conference committee report briefs may be accessed on the Internet at <http://www.kslegislature.org/kldr>

The bill would be in effect upon publication in the *Kansas Register*.

Conference Committee Action

The Conference Committee agreed to the bill as amended by the House Committee of the Whole, with an amendment that would transfer \$45,000 from the KETA Administrative Fund to the State General Fund and transfer any remaining moneys from the KETA funds to the Public Service Regulation Fund of the KCC.

Background

Senate Action

The bill was introduced by the Senate Committee on Utilities. At the Senate Committee hearing, representatives of Americans for Prosperity — Kansas, Westar Energy, Kansas City Power & Light, and Empire District Electric testified in favor of the bill.

Representatives of WindSoHy and the Kansas Sierra Club testified in opposition to the bill. Written testimony in opposition to the bill was submitted by a representative of the Climate+Energy Project.

Neutral testimony was presented by the KETA Chairperson, KETA Secretary, and a member of KETA, all three of whom were appointed by the Governor.

The Senate Committee of the Whole amended the bill to address the recent stay granted by the U.S. Supreme Court on the implementation of the Clean Power Plan by adding language to suspend all state agency activities related to this implementation until the stay is lifted.

House Action

At the hearing before the House Committee on Energy and Environment, representatives of Americans for Prosperity—Kansas, the Kansas Department of Health and Environment, and Westar Energy testified in favor of the bill. Written testimony in favor of the bill was submitted by a representative of the KCC.

A representative of the Kansas Sierra Club testified in opposition to the bill. Written testimony in opposition to the bill was submitted by a representative of the Climate+Energy Project.

Written neutral testimony was presented jointly by the KETA Chairperson, KETA Secretary, and a member of KETA.

The House Committee amended the bill to clarify the type of activities state agencies should suspend pursuant to the EPA docket, and to ensure state agencies would still be able to communicate with, or provide information to, each other in furtherance of any of the agency's statutory obligations.

The House Committee of the Whole amended the bill to transfer the balances and liabilities of the KETA Administrative Fund and the KETA Development Fund to the Public Service Regulation Fund of the KCC, rather than to the State General Fund. (The Conference Committee report would direct \$45,000 to the State General Fund.)

Fiscal Note

The fiscal note prepared by the Division of the Budget on the bill, as introduced, states enactment of the bill would result in a transfer of \$251,356 from the KETA Administrative Fund to the State General Fund. The KETA Development Fund currently is inactive. Any fiscal effect associated with the bill is not reflected in *The FY 2017 Governor's Budget Report*.

utilities; Kansas Electric Transmission Authority
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