

Regular Session, 2014

SENATE BILL NO. 650

BY SENATOR WALSWORTH

ENVIRONMENT QUALITY DEPT. Authorizes the Department of Environmental Quality, in collaboration with the Public Service Commission, to establish regulations on carbon dioxide emissions from existing fossil fuel-fired electric generating units. (8/1/14)

1 AN ACT

2 To enact R.S. 30:2060.1, relative to air control standards; to create a carbon dioxide
3 emissions program; to measure carbon dioxide emissions from existing fossil fuel-
4 fired electric generating units; to provide criteria for the standards of performance;
5 to provide terms, conditions, and requirements; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 30:2060.1 is hereby enacted to read as follows:

8 **§2060.1. The Louisiana Carbon Dioxide Emission Fossil Fuel-Fired Electrical**
9 **Generating Units Control Act**

10 **A. In developing a plan for the implementation of any guidelines for**
11 **greenhouse gas emissions that the United States Environmental Protection**
12 **Agency may issue under Section 111(d) of the Clean Air Act, the Department**
13 **of Environmental Quality, in collaboration with and input from the Public**
14 **Service Commission, shall establish separate standards of performance for**
15 **carbon dioxide emissions from existing fossil fuel-fired electric generating units**
16 **in accordance with Subsection B of this Section. Each standard of performance**
17 **shall be:**

1 (1) Set for each category of existing fossil fuel-fired electric generating
2 units based on the type of fuel burned by those generating units.

3 (2) Adjusted on a case-by-case basis as provided for under Subsection
4 C of this Section.

5 (3) Implemented as provided for under Subsection D of this Section.

6 B. Except as provided for in Subsection C of this Section, the standards
7 of performance established for existing fossil fuel-fired electric generating units
8 shall be based on the following:

9 (1) The best system of emission reduction which, taking into account the
10 cost of achieving such reduction and any non-air quality health and
11 environmental impact and energy requirements, has been adequately
12 demonstrated for fossil fuel-fired electric generating units that are subject to the
13 standards of performance.

14 (2) Reductions in emissions of carbon dioxide that can reasonably be
15 achieved through measures undertaken at each fossil fuel-fired electric
16 generating unit.

17 (3) Efficiency improvements and other measures that can be undertaken
18 at each fossil fuel-fired electric generating unit to reduce carbon dioxide
19 emissions from the unit without switching to other fuels, co-firing with other
20 fuels, or limiting the utilization of the unit.

21 C. In establishing standards of performance in Subsection A of this
22 Section for each category of existing fossil fuel-fired electric generating units,
23 the department shall consider in all cases whether to adopt less stringent
24 standards or longer compliance schedules than those provided for in the
25 applicable federal rules or guidelines based on the following:

26 (1) Consumer impacts, including any disproportionate impacts of energy
27 price increases on lower income populations.

28 (2) Unreasonable cost of reducing emissions resulting from plant age,
29 location, or basic process design.

1 **(3) Physical difficulties with or impossibility of implementing emission**
2 **reductions measures.**

3 **(4) The absolute cost of applying the performance standard to the unit.**

4 **(5) The expected remaining useful life of the unit.**

5 **(6) The economic impacts of closing the unit, including expected job**
6 **losses, if the unit is unable to comply with the performance standard.**

7 **(7) The need to maintain the reliability of the electric grid.**

8 **(8) Any other factors specific to the unit that should be considered by**
9 **the department in establishing reasonable performance standards or reasonable**
10 **compliance schedules.**

11 **D. The department may implement, to the maximum extent permissible,**
12 **the standards of performance established in Subsection A of this Section**
13 **through the regulatory mechanisms that provide flexibility in complying with**
14 **such standards, including the averaging of emissions, emissions trading, or**
15 **other alternative implementation measures that are determined to further the**
16 **interests of Louisiana and its citizens.**

17 **E. The department's plan establishing standards of performance for**
18 **existing fossil fuel-fired electric generating units shall be consistent with the**
19 **provisions of this Section except, and only, to the extent necessary to comply**
20 **with a guidance document promulgated by the United States Environmental**
21 **Protection Agency pursuant to Section 111(d) of the Clean Air Act and 40 CFR**
22 **Part 60, Subpart B.**

23 **F. This Section shall be known and may be cited as the "Louisiana**
24 **Carbon Dioxide Emission Fossil Fuel-Fired Electrical Generating Units Control**
25 **Act".**

The original instrument was prepared by Heyward Jeffers. The following digest, which does not constitute a part of the legislative instrument, was prepared by Thomas L. Tyler.

DIGEST

Walsworth (SB 650)

Proposed law authorizes DEQ in collaboration with and input from the Public Service Commission, to establish standards of performance for measuring carbon dioxide emissions from existing fossil fuel-fired electric generating units.

Proposed law provides criteria for the standards of performance.

Proposed law provides that the department can set adjusting standards of performance on fossil fuel-fired electric generating units and further determine if state standards are to be less stringent or allow for longer compliance schedules than those provided for in applicable federal rules or guidelines.

Proposed law requires the DEQ's plan establishing standards of performance for existing fossil fuel-fired electric generating units to be consistent with proposed law, except when necessary to comply with a guidance document by the EPA.

Effective August 1, 2014.

(Adds R.S. 30:2060.1)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Environmental Quality to the engrossed bill

1. Requires DEQ to collaborate with the PSC in establishing certain standards of performance.
2. Requires DEQ's plan for the standards of performance comply with federal guidance documents.

Senate Floor Amendments to engrossed bill

1. Technical amendments