

SENATE BILL NO. 650

BY SENATOR WALSWORTH

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, may establish standards of performance for carbon**
15 **dioxide emissions from existing fossil fuel-fired electric generating units. Each**
16 **standard of performance shall be:**

17 **(1) Set for each category of existing fossil fuel-fired electric generating**
18 **units based on the type of fuel burned by those generating units as provided in**
19 **Subsection B of this Section.**

20 **(2) Adjusted on a case-by-case basis as provided in Subsection C of this**
21 **Section.**

22 **(3) Implemented as provided in Subsection D of this Section.**

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

26 **(1) The best system of emission reduction that, taking into account the**

1 cost of achieving such reduction and any non-air quality health and
2 environmental impact and energy requirements, has been adequately
3 demonstrated for fossil fuel-fired electric generating units that are subject to the
4 standards of performance.

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

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

12 C. In establishing standards of performance for each category of
13 existing fossil fuel-fired electric generating units, the department shall consider
14 in all cases whether to adopt less stringent standards or longer compliance
15 schedules for such individual units than those provided for in the applicable
16 federal rules or guidelines based on the following:

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

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

21 (3) Physical difficulties with or impossibility of implementing emission
22 reduction measures.

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

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

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

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

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

1 D.(1) The department may implement, to the maximum extent
 2 permissible, the standards of performance authorized by Subsection A of this
 3 Section through the regulatory mechanisms that provide flexibility in complying
 4 with such standards, including the averaging of emissions, emissions trading,
 5 or other alternative implementation measures that are determined to further
 6 the interests of Louisiana and its citizens.

7 (2) The department's plan for establishing and implementing standards
 8 of performance for existing fossil fuel-fired electric generating units shall be
 9 consistent with the provisions of this Section and may include alternative
 10 compliance options for meeting such standards to the extent that those
 11 compliance options:

12 (a) Comply with a guidance document promulgated by the United States
 13 Environmental Protection Agency pursuant to Section 111(d) of the Clean Air
 14 Act and 40 CFR Part 60, Subpart B.

15 (b) Are based on measures that can be implemented by the owners or
 16 operators of existing fossil fuel-fired electric generating units.

17 (c) Are authorized by and consistent with all applicable provisions of
 18 state law.

19 E. This Section shall be known and may be cited as the "Louisiana
 20 Carbon Dioxide Emission Fossil Fuel-Fired Electrical Generating Units Control
 21 Act".

 PRESIDENT OF THE SENATE

 SPEAKER OF THE HOUSE OF REPRESENTATIVES

 GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____