

CLEAN POWER PLAN NEXT STEPS FOR KENTUCKY

Presented by
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Energy and Environment Cabinet

Kentucky Industrial Utility Customers
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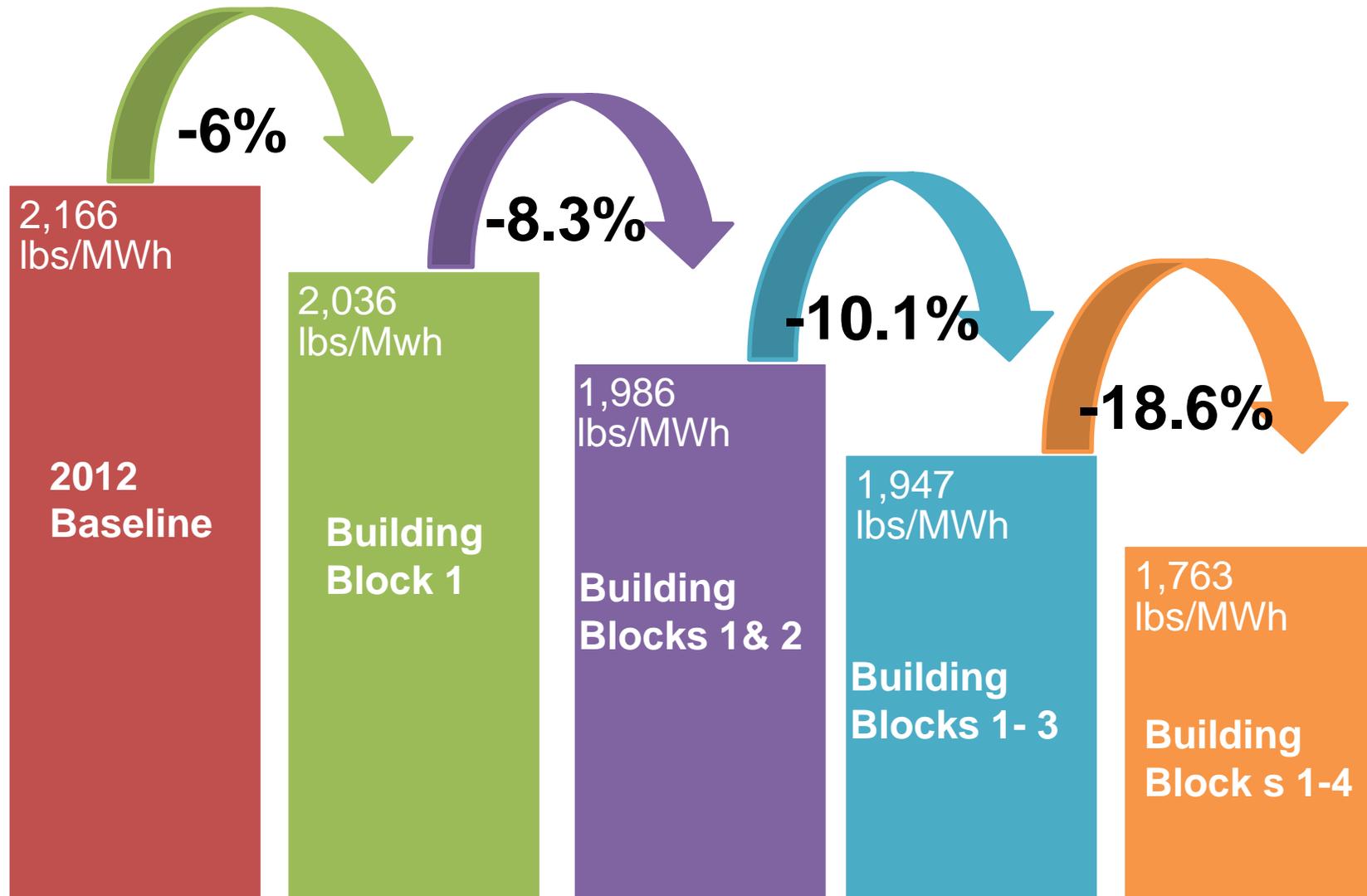
Past – Present - Future

- **June 2013** – President’s Executive Order and Clean Power Plan.
- **October 2013** – EEC Whitepaper.
- **December 2013** – EEC in-depth analysis on Kentucky’s energy future.
- **May 2014** – Comment deadline for 111(b) new sources.
- **October 2014** – Comment deadline for 111(b) modified and reconstructed sources.
- **December 2014** – Comment deadline for 111(d) existing sources.
- **February 2015** – EEC holds stakeholder meeting to initiate dialogue regarding “next steps” for the Cabinet.
- **Summer of 2015** – EPA will finalize 111(b) and (d) rules
- **June 2016** – Deadline for submittal of state plan.

Revised EPA Schedule for the Clean Power Plan

- Announced January 7, 2015.
- January 2015 – EPA begins work on a federal plan.
- Summer 2015 (August 31 drop dead date?) – EPA to issue final rules for 111(b) and 111(d) and propose federal plan.
- Summer 2016 – Due date for final or initial state plans with 1 or 2 year extensions.
- Summer 2017 – Due date for state plans with 1 year extension.
- Summer 2018 – Due date for state plans with 2 year extension.

111(d) CO₂ Target for Kentucky



KRS 224.20-140 through 224.20-146 (HB 388)

- Unanimously passed during the 2014 General Session.
- Requires unit-by-unit rates based on cost-effective efficiency gains at the plant (e.g. turbine or boiler upgrades).
- Prohibits fuel switching.
- Prohibits co-firing other fuels with coal.
- Prohibits limiting utilization of the EGU.
- Requires separate coal and natural gas categories.

Just Say No?

- CAA and federal regulations require the state agency to submit a plan within 9 months after promulgation of the regulation.
- If a state chooses not to submit a plan, there are very clear procedures for the implementation of a federal plan by the Administrator of the Environmental Protection Agency.
- Stakeholders in the February meeting expressed their desire for a state plan and not a federal one.
- Planning and litigation are not mutually exclusive.

Added Complexity

- New state administration midway through the plan development process.
- What kind of transition product will the Beshear Administration leave for the next administration?
- How does a new administration come up to speed on this issue with a biennial budget and general session being the first things on their plate?
- How do they resolve potential conflicts between federal and state law?

HCR 168

- Creation of the Federal Regulation Impact Assessment Task Force to study effects of GHG regulations for new and existing electric generating units
- 20 Members
- Required to meet at least 3 times
- Report required by December 31, 2016

What's Next?

- Facilitate further stakeholder discussions.
- Fully evaluate the legal authorities.
- Continue planning and analysis of potential compliance options, if any.
- Develop transition product to give to the next administration.

Thank You

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