

AN ACT relating the electric generating units.

*Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

➔SECTION 1. A NEW SECTION OF SUBCHAPTER 20 OF KRS CHAPTER 224 IS CREATED TO READ AS FOLLOWS:

*(1) If the United States Environmental Protection Agency develops carbon emission standards and grants emission allowances to the Commonwealth of Kentucky under 42 U.S.C. sec. 7411, the cabinet shall allocate ten percent (10%) of the allowances to counties in which coal-fired electric generating units were retired as a result of 42 U.S.C. sec. 7411. The cabinet shall determine whether 42 U.S.C. sec. 7411 was a significant factor in the decision to retire the unit. In making the determination, the cabinet shall consider:*

*(a) The remaining useful life of the electric generating plant;*

*(b) The future cost of generating electricity at the plant compared with the cost of purchasing electricity or generating electricity from a new unit;*

*(c) Projected changes in the unit's electricity demand and customer base;*

*(d) Other factors affecting the financial condition of the utility that owns the retired electric generating plant; and*

*(e) Any other factor the cabinet deems relevant.*

*(2) The emission allowances granted to each county as provided in subsection (1) of this section shall be equal to the retired plant's contribution to the Commonwealth's total carbon dioxide emissions from coal-fired plants in the calendar year immediately preceding the year in which the plant is retired.*

*(3) This section applies to any coal-fired electric generating plant located in the Commonwealth of Kentucky that is retired from service after 2010 and before 2026.*

*(4) Any utility as defined in KRS 278.010 receiving emission allowances pursuant to the 42 U.S.C. sec. 7411 shall return fifty percent (50%) of its emission allowances*

*to the ratepayers if the allowances equal its emissions. If a utility sells any of its allowances, it shall return the proceeds of the sale to its ratepayers.*