



# KANSAS

OFFICE OF THE GOVERNOR

KATHLEEN SEBELIUS, GOVERNOR

For immediate release:  
March 21, 2008

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## **Sebelius prevents and reduces pollutants with veto, executive order** *Kansas to join 36 states in lowering greenhouse gas emissions*

With federal regulation of greenhouse gases on the horizon, Governor Kathleen Sebelius is taking a proactive step to bring together business leaders, energy experts and scientists to recommend ways Kansas can reduce its greenhouse gas emissions.

After vetoing a bill that would have allowed 11 million tons of greenhouse gases to be produced from two new coal-fired power plants, the governor signed Executive Order 08-03, which establishes the Kansas Energy and Environmental Policy Advisory Group.

"We know that greenhouse gases contribute to climate change," Sebelius said. "As an agricultural state, Kansas is particularly vulnerable. Therefore, reducing pollutants benefits our state not only in the short term – but also for generations of Kansans to come."

Sebelius has named Jack Pelton, chairman, president and chief executive officer of Cessna Aircraft Company, to lead this group.

"I am so pleased that one of our most prominent business leaders has agreed to serve as chair," said Sebelius. "Jack understands the balance between continuing to grow our economy and making sure that we protect our environment and maximize our natural assets for future generations.

"The Advisory Group will explore opportunities in all sectors of our economy to accomplish the goal of reducing our greenhouse gas emissions; and, at the same time, continue to take advantage of the economic prosperity provided by job growth throughout Kansas."

In her State of the State Address this past January, Sebelius discussed the need for Kansas to join 36 other states in developing a state plan to deal with climate change. The Energy and Environmental Advisory Group will develop recommendations to the governor involving opportunities to reduce greenhouse gas emissions, as well as a recommended timetable for implementation.

Other issues to be examined by this group include a study of the impact electrical production has on community economic development and the opportunities to diversify Kansas' energy portfolio.

The process will be facilitated by the Center for Climate Strategies (CCS). Their work is supported by the Energy Foundation and the Sandler Family Supporting Foundation, which includes the Rockefeller Brothers Fund. CCS has developed climate action plans in: Arizona, New Mexico, Montana, Colorado, Washington, Minnesota, North Carolina, and Vermont. State plans are underway in South Carolina, Florida, Arkansas, Michigan, Maryland, and Alaska.

To read the executive order in its entirety, please visit:

<http://www.governor.ks.gov/executive/Orders/default.htm>

### **Veto Message for House Substitute for Senate Bill 327**

“Of all the duties and responsibilities entrusted to me as Governor, none is greater than my obligation to protect the health and well-being of the people of Kansas. And that is why I supported the decision of the Secretary of Kansas Department of Health and Environment regarding Kansas’ energy future. For that reason, I must veto House Substitute for SB 327.

“This decision not only preserves Kansans’ health and upholds our moral obligation to be good stewards of this beautiful land, but will also enhance our prospects for strong and sustainable economic growth throughout our state. Instead of building two new coal plants, which would produce 11 million new tons of carbon dioxide each year, I support pursuing other, more promising energy and economic development alternatives.

“With the increasing pressure for the federal government to develop national standards for carbon emissions, there is a high probability coal will become a lot more expensive in the next several years. Countries throughout Europe and South America already have standards in place and states are following suit.

“Federal legislation has been introduced that would have the net impact of taxing carbon. If any of the proposals are adopted, utility companies and their customers will pay far more for energy which produces carbon. It will also require spending billions on equipment to clean the atmosphere as thoroughly as possible. Building additional coal plants now is likely to create a significant economic liability for Kansas in the future.

“My environmental and financial concerns surrounding the massive new coal-fired power plants allowed under SB 327 have not changed throughout this process.

“This bill goes well beyond this specific project by stripping emergency powers from the KDHE Secretary and prohibiting the consideration of any standards beyond the Clean Air Act.

“It not only mandates 11 million tons of new carbon for power we don’t need, but invites other coal plants to be sited in Kansas while eliminating any requirements to mitigate their environmental and health risks for our citizens.

“I am encouraged that the legislature made a modest attempt to address some of our alternative energy assets, but this bill fails to promote our wind assets and sends the wrong signal to potential investors for transmission lines and additional wind power.

“The new feature of net-metering does not include wind power, which could have served as a powerful incentive to individuals and communities to embrace our most abundant natural resource.

“And, the renewable standard and timetable in this bill slows down the progress we have already made, and dilutes the voluntary agreement now in place with utility companies in Kansas.

“This legislation proposes a committee to discuss electric generation. I believe we need a comprehensive discussion on energy policy, including but not limited to electric generation, which is why I am now issuing an Executive Order creating the Kansas Energy and Environmental Policy Advisory Group.

“My offer of a compromise energy proposal, with additional base load power for Western Kansas, combined with mitigation strategies and additional wind power is once again extended, and I am hopeful that some serious consideration can now occur.

“Pursuant to Article 2, Section 14 of the Constitution of the State of Kansas, I veto House Substitute for Senate Bill 327.”

**Governor reiterates compromise:**

The proposal is based on the following principles: we share the concerns about adequate base-load power for Western Kansas and believe those needs should be addressed so that we can continue our economic development efforts in that part of the state. We recognize that adding additional coal-fired power is likely to lower the high rates currently being paid by some Kansas customers who rely completely on natural gas for electricity.

Finally, our operating principles include a growing concern about carbon and its impact on the environment of our state and the health of our citizens. We believe that any proposal to generate significant amounts of new carbon needs to have an accompanying offset plan, recognizing that we are at least a decade away from clean coal technology.

In the spirit of reaching a true compromise with utility company officials, representatives from my office made the following offer which we would support:

- Build one new plant similar in size to the Sand Sage permit previously approved (660 MW);
- Kansas base load power needs must receive top priority;
- Plant must be able to implement carbon sequestration technology;
- Commitment for 20% wind power (132 MW)
- Commitment for 100 MW of energy efficiency
- Net metering allowed in the Sunflower service area

The framework of this proposal seeks to find a middle ground between all parties concerned and allows for the construction of one power plant that is reasonable and sensible in terms of scope and size.

A project of this size provides the base load power needed in western Kansas so that economic growth can continue, while allowing time for Kansas to engage in a process underway or completed in 36 other states that would allow our state to develop real and meaningful carbon regulations. Once those state regulations have been adopted and implemented, applications for additional power plants could be fully considered.

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