



# *State of Tennessee*

## **PUBLIC CHAPTER NO. 478**

**SENATE BILL NO. 1325**

**By McNally, Ketron, Bowling, Norris**

Substituted for: House Bill No. 868

By Keisling, Holt, Doss, Weaver, Moody, Timothy Hill, Powers

AN ACT to amend Tennessee Code Annotated, Title 43 and Title 68, relative to state plans to implement Section 111(d) guidelines.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 68, Chapter 201, Part 1, is amended by adding the following language as a new section:

(a) As used in this section:

(1) "Covered electric-generating unit" means an existing fossil-fuel-fired electric-generating unit located within this state that is subject to regulation under EPA emission guidelines;

(2) "Environmental protection agency" or "EPA" means the United States environmental protection agency;

(3) "Federal emission guidelines" means any final rules, regulations, guidelines, or other requirements that the EPA adopts for regulating carbon dioxide emissions from covered electric-generating units under Section 111(d) of the federal Clean Air Act, compiled in 42 U.S.C. § 7401 et seq.;

(4) "State" means the state of Tennessee;

(5) "State plan" means any plan to establish and enforce carbon dioxide emission control measures adopted by the department to implement the obligations of the state under the federal emission guidelines; and

(6) "TACIR" means the Tennessee Advisory Commission on Intergovernmental Relations.

(b) Upon submission of the final state plan to EPA by the department, TACIR shall prepare a report as described in this subsection. To the extent the department can produce the information without additional expenditures and using the department's existing resources, the department shall provide available information to TACIR upon request. The report shall assess the effects of the state plan on:

(1) The electric power sector, including:

(A) The ability of this state to provide affordable electricity through diversified sources of electricity generation;

(B) The type and amount of electric-generating capacity within this state that the electric power sector is likely to retire or replace with other energy sources;

(C) Stranded investment in electric-generating capacity and other infrastructure;

(D) The amount of investment necessary to offset the retirement of electric-generating capacity and maintain generation reserve margins;

(E) Potential risks to reliable sources of electricity, including resource adequacy risks and transmission constraints; and

(F) The amount by which retail electricity prices within this state are predicted to increase;

(2) Electricity consumers within this state, including any disproportionate impacts of electricity and other energy price increases on middle-income and lower-income households;

(3) Employment within this state, both directly and indirectly, including jobs lost within affected sectors of this state's economy;

(4) Economic development in this state, including the effects on manufacturing, commercial, and other sectors of this state's economy;

(5) The competitive position of this state relative to neighboring states and other economic competitors;

(6) State and local governments, including the potential impacts resulting from changes in tax revenues; and

(7) Existing state laws, and any proposed legislation that may be necessary to implement the state plan.

(c) After the development of the report described in subsection (b), TACIR shall transmit a copy of the report to the chairs of the government operations committees of the senate and the house of representatives and shall present the findings of the report at the next regularly scheduled meeting of the joint government operations committee.

(d) Notwithstanding subsection (b), a report does not have to be prepared by TACIR if the final federal emission guidelines approved by the EPA:

(1) Do not establish carbon dioxide emission control requirements for this state that are based on the decrease in carbon dioxide emissions resulting from the operation of new nuclear-generating facilities currently under construction in this state; and

(2) Authorize this state to receive full credit for the decrease in carbon dioxide emissions resulting from nuclear-generating facilities under construction as of the effective date of this act, for purposes of demonstrating compliance with carbon dioxide emission control requirements under the final EPA emission guidelines.

SECTION 2. The commissioner of environment and conservation shall notify the secretary of state and the executive secretary of the Tennessee code commission of the effective date of federal emission guidelines as soon as reasonably practical after the effective date is known.

SECTION 3. This act shall take effect concurrently with the effective date of federal emission guidelines, the public welfare requiring it.

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PASSED: April 22, 2015



RON RAMSEY  
SPEAKER OF THE SENATE



BETH HARWELL, SPEAKER  
HOUSE OF REPRESENTATIVES

APPROVED this 19<sup>th</sup> day of MAY 2015



BILL HASLAM, GOVERNOR