

**Testimony of KCP&L
Before the House Energy and Utilities Committee
Regarding House Bill 2711
February 7, 2008**

Kansas City Power and Light understands the challenges involved in building a coal plant. KCP&L is currently constructing an 850 megawatt supercritical coal-fired electrical generating plant near Weston, Missouri. The plant, known as Iatan 2, is expected to come online in 2010, joining the existing Iatan 1, which came online in 1980.

Undertaking a major investment such as construction of a coal plant requires compromise by all parties. HB 2711 seeks to address those compromises upfront.

KCP&L does not offer policy analysis of the bill, but would like to bring attention to various sections that may have unintended consequences and request technical changes.

Issue 1 – to ensure the bill deals only with new generation plants, the following change is requested:

Page 6 - New Section 10(b)(1)

“Affected facility” means a fossil-fuel-fired steam electricity generating ~~unit~~ *emission source* of more than 250 million British thermal units per hour heat input other than:

(A) A facility owned or operated by the federal government;

(B) a facility located on tribal lands; ~~or~~

(C) any other facility exempt under section 111 of the federal clean air act; *or*

(D) *any existing emission source which commences operation prior to July 1, 2009.*

Issue 2 – the current heat rate used to describe coal plant specifications is not believed to be consistently achievable with Powder River Basin (PRB) coal. Ultra-supercritical coal technology, while more efficient than traditional pulverized coal unit designs, has not developed a long term operating record using PRB coal, which is the most widely used coal in Kansas. It is important that when considering incentives for coal unit efficiency that considerations for the

long-term reliability and maintenance cost of the unit also be valued as important considerations for customers.

Page 7 – New Section 10

(8) “Supercritical pulverized coal technology” means a steam generating facility operating at or above 3,600 pounds per square inch and less than ~~4,200~~ 1100 degrees fahrenheit.

(9) “High efficiency pulverized coal technology” means a steam generating facility operating at or above 4,500 pounds per square inch and at or above ~~4,200~~ 1100 degrees fahrenheit.

Issue 3 – Carbon offset values that differentiate between investments in Kansas and other states create regulatory challenges for utilities like KCP&L that operate in more than one state. Because emissions, or emission offsets, don’t stay where they are created, it is suggested the bill treat offsets the same.

Page 8 to 12 – New Section 12

Remove references to “in Kansas.”

KCP&L appreciates the opportunity to offer suggestions on this bill and urges the committee adopt the recommendations presented.

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