

## Necessity Findings

**10 CSR 10-6.372** Cross-State Air Pollution Rule Annual NO<sub>x</sub> Trading Allowance Allocations, **10 CSR 10-6.374** Cross-State Air Pollution Rule Ozone Season NO<sub>x</sub> Trading Allowance Allocations, **10 CSR 10-6.376** Cross-State Air Pollution Rule Annual SO<sub>2</sub> Trading Allowance Allocations. After the U.S. Court of Appeals for the D.C. Circuit lifted the stay on the U.S. Environmental Protection Agency's (EPA's) cross-state air pollution rule (CSAPR), CSAPR implementation began January 1, 2015. CSAPR sets overall sulfur dioxide (SO<sub>2</sub>) and nitrogen oxides (NO<sub>x</sub>) emissions budgets for each state and distributes emission allowances to affected utilities. EPA is implementing CSAPR as a federal implementation plan with no action required by states, but states have the option to redistribute emission allowances among affected sources.

These state rulemakings reallocate the annual and ozone season NO<sub>x</sub> and SO<sub>2</sub> emission allowances established in EPA's cross-state air pollution rule, starting with allowances distributed for 2017. Nothing else in the federal CSAPR is changing; EPA implements and enforces the program. These new rules must move quickly with high priority since the SIP revision is due to EPA no later than December 1, 2015.

- Draft rulemaking texts and Regulatory Impact Reports are out for 60-day comment period - **started February 9 and will close April 10**
- Affects Chillicothe Municipal Utilities and Higginsville Municipal Power by allocating enough NO<sub>x</sub> allowances for them to operate without having to purchase allowances. Also redistributes SO<sub>2</sub> allowances between owners of Iatan Unit 1, Kansas City Power & Light and Empire Electric.
- Public hearing expected July of this year
- Expected to be effective December of this year

