

**DRAFT ONLY
NOT APPROVED FOR
INTRODUCTION**

HOUSE BILL NO.

Reclamation and decommissioning costs.

Sponsored by: Joint Corporations, Elections & Political
Subdivisions Interim Committee

A BILL

for

1 AN ACT relating to public utilities; requiring a study
2 identify already incurred liabilities for the
3 decommissioning and cleanup of coal fired electric
4 generation facilities as specified; specifying
5 responsibility for additional decommissioning and cleanup
6 costs; requiring a study and reports; providing an
7 appropriation; and providing for an effective date.

8

9 *Be It Enacted by the Legislature of the State of Wyoming:*

10

11 **Section 1.** W.S. 37-2-135 is created to read:

12

1 **37-2-135. Reclamation and decommissioning costs;**
2 **identification of costs already recovered in rates;**
3 **specifying the responsibility for additional reclamation**
4 **costs.**

5
6 (a) This section shall apply to each coal-fired
7 electric generation facility, regardless of size, that is
8 identified in the public utility's integrated resource plan
9 submitted to the commission before September 30, 2023 as
10 scheduled for retirement, closure or conversion to another
11 fuel source including natural gas or nuclear energy before
12 January 1, 2034. This section shall apply to the expected
13 costs of decommissioning all units of the facility and
14 reclaiming the site at the facility, including but not
15 limited to any costs related fly ash, hazardous waste or
16 other solid or liquid waste disposal sites for which the
17 present or any future owner of the facility site is likely
18 to be liable for damages and cleanup costs.

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20 (b) For facilities subject to subsection (a) of this
21 section, the commission shall undertake an analysis of the
22 extent to which rates charged by the public utility before
23 the effective date of this section included rate recovery

1 for decommissioning and reclamation costs. In conducting an
2 analysis under this subsection:

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4 (i) The commission shall consider rates charged
5 in Wyoming and all other states where power generated by
6 the facility was sold. For rates charged outside of
7 Wyoming, the commission may impute a share of the rate for
8 decommissioning and reclamation similar to that charged in
9 Wyoming if the rate-setting practices of the relevant state
10 or an applicable multi-state protocol justify this
11 treatment;

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13 (ii) If the commission is unable to reasonably
14 separate the amounts for reclamation that were charged to
15 customers for power from a specific facility or a unit
16 thereof from those charged for all Wyoming facilities or
17 units of the public utility, the total for all units and
18 facilities owned by the public utility in Wyoming shall be
19 identified;

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21 (iii) The commission may, to the extent useful,
22 hire outside consultants and assess their costs to the
23 utility involved;

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2 (iv) The commission shall prepare a report based
3 on the analysis performed in accordance with this
4 subsection. Within ninety (90) days of the completion of a
5 draft final report the commission shall hold a public
6 hearing on the results of the report.

7

8 (c) To comply with the requirements of this section,
9 the commission may request information from the public
10 utility including a description of the reclamation and
11 decommissioning needs and obligations that apply to any
12 facility subject to subsection (a) of this section along
13 with a description of the current procedure for the
14 disposal of fly ash and chemicals and other substances used
15 by or generated by the unit.

16

17 (d) To the extent rates charged by the public utility
18 before the effective date of this section did not fully
19 cover or include decommissioning and reclamation costs for
20 a facility subject to subsection (a) of this section,
21 recovery for any additional decommissioning and recovery
22 costs in Wyoming shall be limited to a portion of the costs

1 equal to the portion of the power generated from the
2 facility that was provided to ratepayers in Wyoming.

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4 *****
5 *****

6 STAFF COMMENT

7 There was also a request for alternative language to
8 specify that ratepayers in Wyoming would not be subject
9 increased rates to pay for costs not covered by rates prior
10 to the effective date of this act:

11

12 (d) To the extent rates charged by the public utility
13 before the effective date of this section did not fully
14 cover or include decommissioning and reclamation costs for
15 a facility subject to subsection (a) of this section, the
16 public utility shall be responsible for one hundred percent
17 (100%) of those costs.

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19 *****
20 *****

21

22 Section 2.

23

24 (a) The public service commission, in consultation
25 with the department of environmental quality, shall
26 complete a study for each coal-fired electric generation
27 facility that is or potentially may be subject to this act,
28 including any facility that was closed, retired or
29 converted to a new fuel source after January 1, 2018 if
30 reclamation has not been completed, to determine the
31 reclamation and decommissioning obligations related to the

1 facility or each unit thereof. The study shall identify the
2 needs for reclamation and decommissioning of the facility
3 and how those needs can best be met without materially
4 impeding the sale or conversion of the facility or unit.

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6 (b) The public service commission shall assess the
7 costs of the study to each public utility subject to the
8 study under this section on a pro rata basis as determined
9 by the commission.

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11 (c) The public service commission and the department
12 of environmental quality shall report to the joint
13 minerals, business and economic development interim
14 committee and to the joint corporations, elections and
15 political subdivisions interim committee:

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17 (i) Not later than September 1, 2024 with a
18 report and status update on the study required under this
19 section. The update may include any requests for an
20 additional appropriation to complete the study; and

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22 (ii) A final report not later than September 1,
23 2025.

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2 (d) There is appropriated X dollars (\$x.00) from the
3 general fund to the public service commission for the
4 purpose of completing the study and report as required
5 under this section. This appropriation shall be for the
6 period beginning with the effective date of this act and
7 ending June 30, 2026. This appropriation shall not be
8 transferred or expended for any other purpose and any
9 unexpended, unobligated funds remaining from this
10 appropriation shall revert as provided by law on June 30,
11 2026. It is the intent of the legislature that this
12 appropriation not be included in the commission's standard
13 budget for the immediately succeeding fiscal biennium.

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15 **Section 3.** This act is effective immediately upon
16 completion of all acts necessary for a bill to become law
17 as provided by Article 4, Section 8 of the Wyoming
18 Constitution.

19

20

(END)