Reclamation and decommissioning costs.

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

A BILL

for

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

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

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

1 [Bill Number]
37-2-135. Reclamation and decommissioning costs; identification of costs already recovered in rates; specifying the responsibility for additional reclamation costs.

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

(b) For facilities subject to subsection (a) of this section, the commission shall undertake an analysis of the extent to which rates charged by the public utility before the effective date of this section included rate recovery
for decommissioning and reclamation costs. In conducting an
analysis under this subsection:

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

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

(iii) The commission may, to the extent useful,
hire outside consultants and assess their costs to the
utility involved.
(c) To the extent rates charged by the public utility before the effective date of this section did not fully cover or include decommissioning and reclamation costs for a facility subject to subsection (a) of this section, recovery for any additional decommissioning and recovery costs in Wyoming shall be limited to a portion of the costs equal to the portion of the power generated from the facility that was provided to ratepayers in Wyoming.

Section 2.

(a) The public service commission, in consultation with the department of environmental quality, shall complete a study for each coal-fired electric generation facility that is or potentially may be subject to this act, including any facility that was closed, retired or converted to a new fuel source after January 1, 2018 if reclamation has not been completed, to determine the reclamation and decommissioning obligations related to the facility or each unit thereof. The study shall identify the needs for reclamation and decommissioning of the facility and how those needs can best be met.
(b) The public service commission shall assess the costs of the study to each public utility subject to the study under this section on a pro rata basis as determined by the commission.

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

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

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

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

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