<u>Summary of EPA's Proposed Greenhouse Gas Rule for New Power Plants</u>

EPA proposed on January 8, 2014 (published in Federal Register) Clean Air Act standards to reduce carbon pollution from new power plants in order to improve public health and combat climate change. EPA is expected to issue proposed standards for existing power plants by June 1, 2014.

The proposal sets separate standards for natural gas and coal-fired power plants. Under the proposal, any new plant that runs on coal would be permitted to emit only about half as much carbon dioxide as an average coal plant puts into the air today. As of now, there aren't any permit applications pending with EPA for new coal-based power plants. Natural gas plants are expected to be able to meet the standard without any additional control technology.

The proposed rule will encourage future power plants to use lower-carbon fuels such as natural gas. Utilities will also likely seek a greater share of power from renewables such as wind and solar. Utilities may also push for a system that allows them to use credits to meet the carbon pollution standards system-wide even if their system extends across state lines.

While the proposed rule for new power plants will be directly enforced by EPA, the proposed rule for existing power plants will be enforced by states. Therefore, states will have choice in determining how to meet the standards. States will be encouraged to use advanced technologies and renewable energy sources (wind, solar, etc.) and to reduce electricity demand by employing energy efficiency measures.

Since new coal-based power plants may incur additional costs when limiting carbon dioxide output or developing new methods of cleaning emissions, the industry is likely to challenge the regulations in court.

EPA is inviting comments on the above proposal by March 10, 2014. The agency held a public listening session in Washington DC on February 6, 2014. More information on submitting comments and on public listening sessions is available here: http://www2.epa.gov/carbon-pollution-standards

Comments on GHG Rule for Existing Power Plants

EPA held 11 public listening sessions across the country to solicit ideas and input from the public and stakeholders about the best Clean Air Act approaches to reducing carbon pollution from existing power plants. The agency will seek additional public input during the notice and comment period once it issues a proposal by June 2014. EPA will finalize its guidelines to states by June 1, 2015 and states will have until June 30, 2016 to submit compliance plans to EPA.

Comments can be emailed at carbonpollutioninput@epa.gov