

National Conference of State Legislatures

Task Force on Energy Supply

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American Coalition for Clean Coal Electricity

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Topics

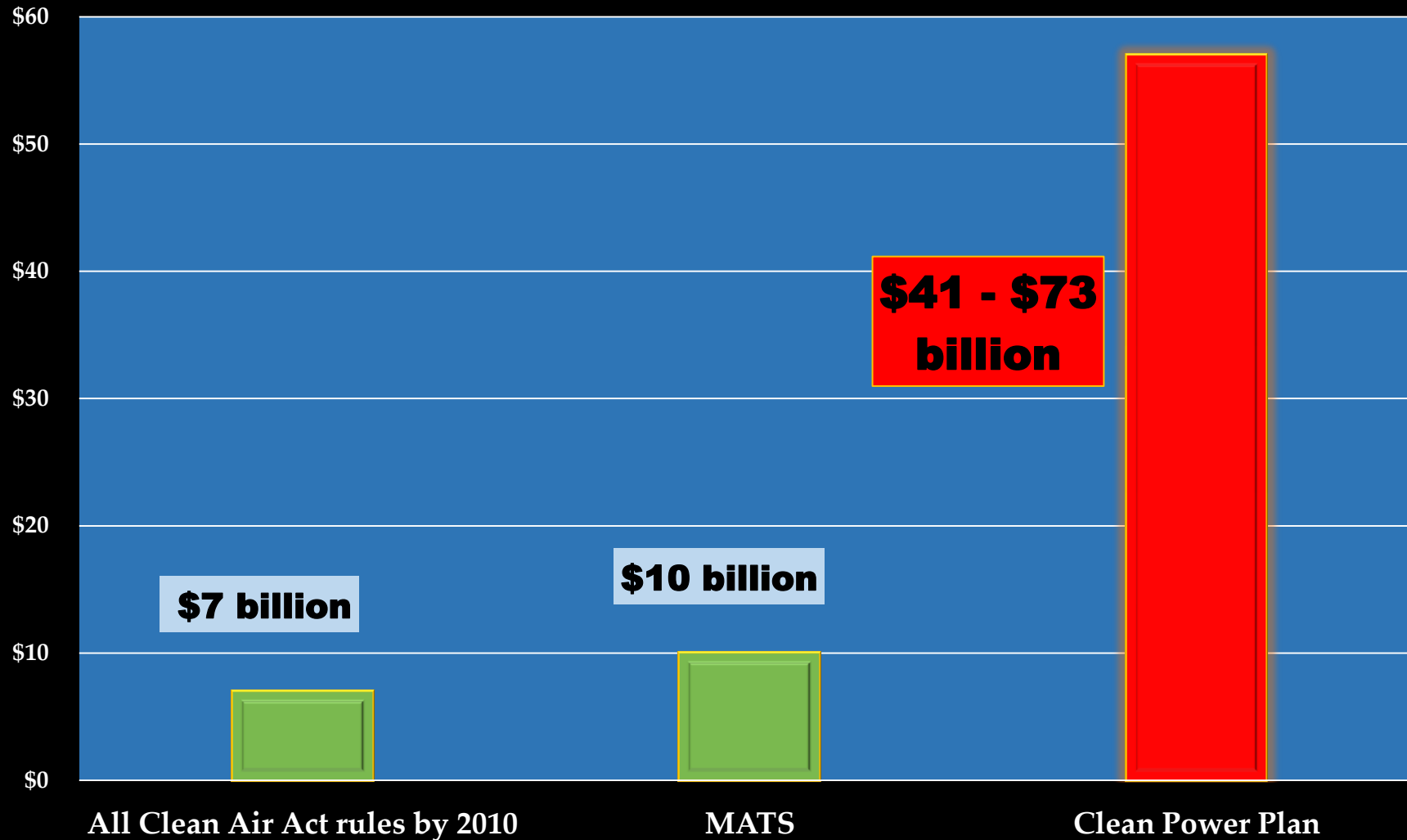
- ❖ Coal Fleet
- ❖ Costs
- ❖ Benefits
- ❖ State Opposition
- ❖ Resources

Snapshot of the U.S. Coal Fleet

- ❖ Provided 40 percent of electricity so far this year
- ❖ More than 450 coal units have announced retirement
- ❖ Most have been attributed to EPA policies
- ❖ \$145 billion invested by 2016 to reduce emissions
- ❖ SO₂, NO_x, PM have been reduced by 90% per kWh

Sources: EIA (2014); individual company retirement announcements; Energy Ventures Analysis (2013); EPA Clean Air Markets Division (2013)

Annual Cost of Clean Air Act Rules for the Power Sector



Annual cost of all Clean Air Act rules for the electric power sector promulgated by 2010 from U.S. EPA, *The Benefits and Costs of the Clean Air Act from 1990 to 2020* (2011) at Table 3-2 (electric utility direct annual compliance costs were \$6.6 billion (2006\$) in 2010; this converts to \$7.1 billion in 2010\$). MATS annual cost from U.S. EPA, *Regulatory Impact Analysis for the Final Mercury and Air Toxics Standards*, December 2011 (\$9.6 billion compliance cost in 2006\$ converted to 2010\$.) Cost of proposed Clean Power Plan from NERA analysis (2013\$).

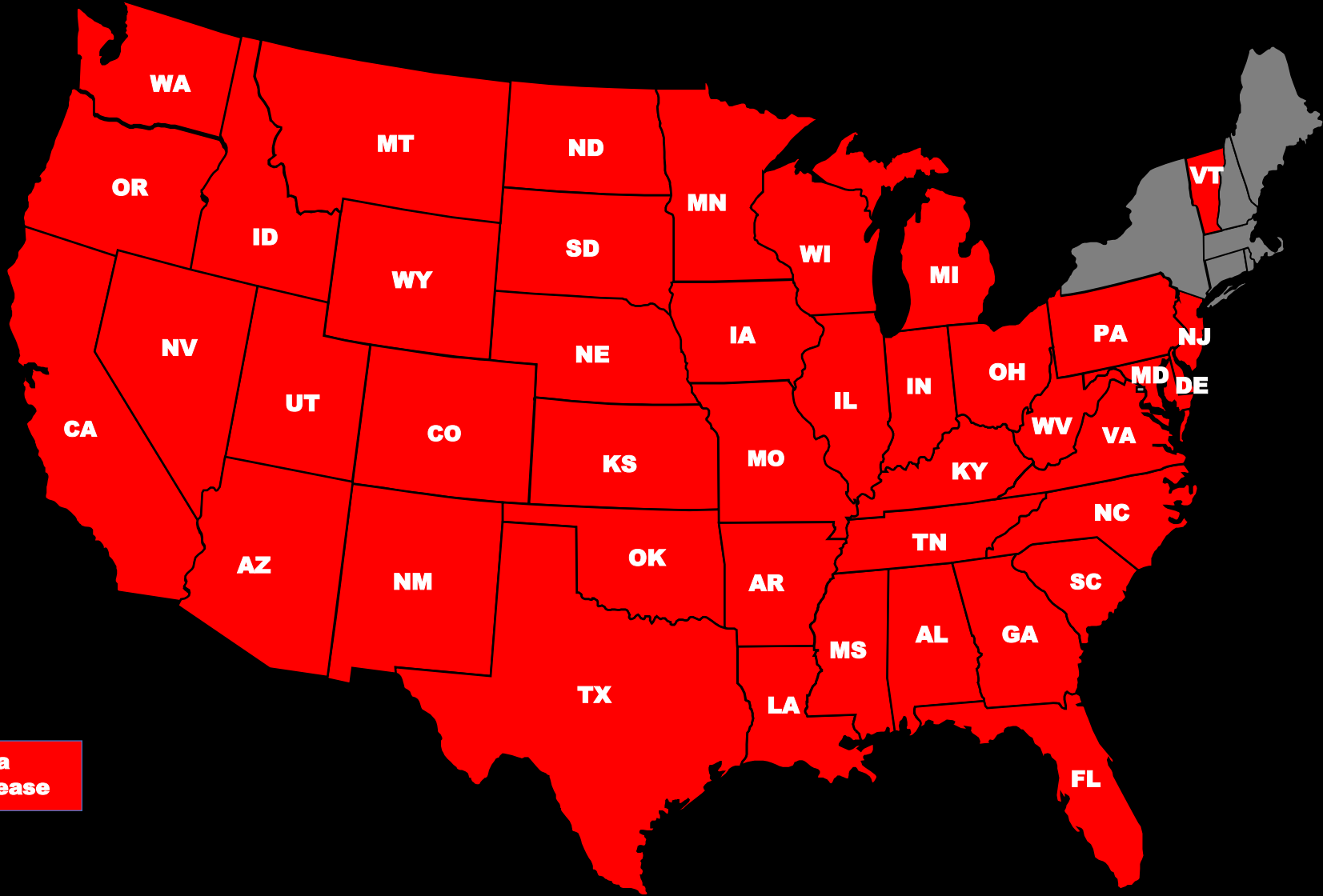
NERA Analysis

- ❖ 43 states will have double digit electricity price increases
- ❖ 14 states will have peak-year increases that exceed 20%
- ❖ Compliance costs will total \$366 billion to \$479 billion over 15 years
- ❖ Cost to consumers will be \$34 billion/yr to \$48 billion/yr

NERA Analysis

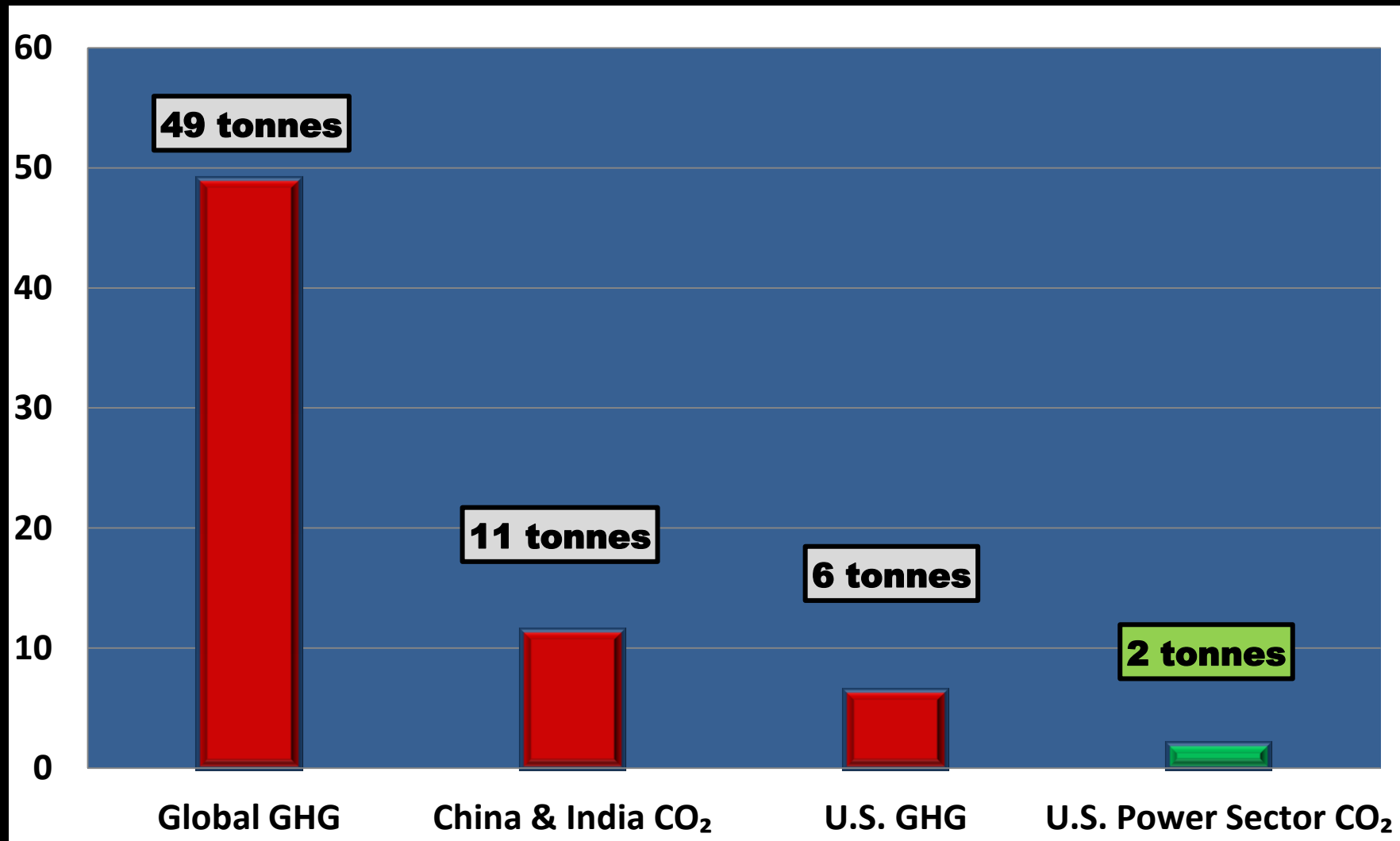
- ❖ Consumers pay a total of \$560 billion to reduce electricity use
- ❖ Additional coal retirements range from 45,000 MW - 169,000 MW
- ❖ Coal generation declines by 29% - 71%
- ❖ Natural gas prices increase by 2% - 29%

EPA's Proposal Will Cause Double Digit Electricity Price Increases in 43 States (2020 - 2029 Average)



Alaska also has a double digit increase

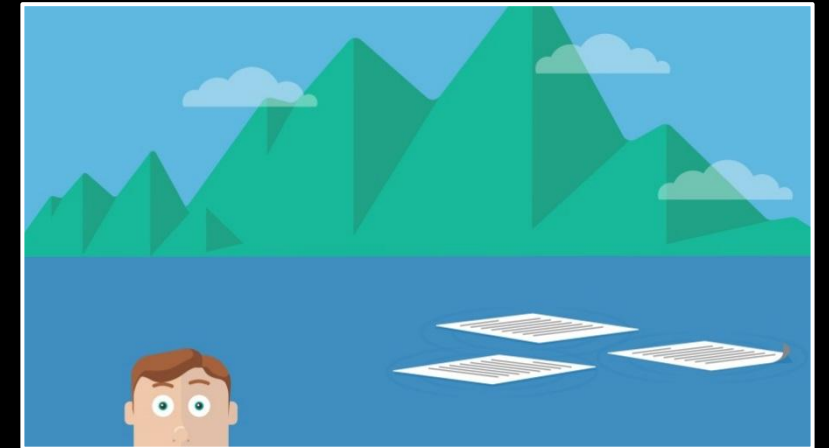
U.S. Power Sector Emissions Represent Only 4% of World GHG Emissions (Billions of Metric Tons)



Sources: IPCC WGIII report, "Climate Change 2014: Mitigation of Climate Change;" U.S. EPA, Inventory of Greenhouse Gas Emissions and Sinks 1990-2011, April, 2013; U.S. EIA Monthly Energy Review, April 2014; Carbon Dioxide Information Analysis Center, Oak Ridge National Laboratory.

EPA's Proposal Will Have No Real Effect on Climate Change

- ❖ CO₂ concentrations will be reduced by less than 0.5%
- ❖ Global average temperature rise will be reduced by 0.016 degree F (less than 2/100^{ths} of a degree)
- ❖ Sea level rise will be reduced by 0.3 millimeter (1/100th of an inch or the thickness of three sheets of paper)



Emission reductions from EPA's proposal and AEO 2014 are accumulated and scaled to projected emissions reductions and resulting climate effects from EPA's *Regulatory Impact Analysis: Final Rulemaking for 2017-2025 Light-Duty Vehicle Greenhouse Gas Emission Standards and Corporate Average Fuel Economy Standards*, August 2012, page 4-134 and 6-112.

State Legislation and Resolutions

- ❖ 6 states have passed legislation limiting the scope of state implementation plans or requiring legislative approval.
- ❖ 14 states have passed resolutions through one or both Houses opposing EPA's proposal or limiting the scope of state plans.

State Opposition

- ❖ Officials from 27 states have said EPA does not have authority to regulate coal-fired power plants.
- ❖ Officials from 28 states have said EPA cannot regulate “outside the fence.”
- ❖ Officials from 26 states have said EPA should withdraw its proposal.

Resources

- ❖ *Federalist Society* paper
- ❖ Legal comments by Lawrence Tribe (Harvard)
- ❖ ACCCE summary of comments from 32 states
- ❖ Highlights of NERA modeling results
- ❖ NERA's full report
- ❖ ACCCE impacts of EPA's proposal on each of 31 states
- ❖ ACCCE *Climate Effects* paper
- ❖ ACCCE *Climate Actions by Other Countries*
- ❖ ACCCE *Coal Retirements*