

Info Alert

National Conference of State Legislatures Office of State-Federal Relations

June 2, 2014

EPA Releases Proposed Greenhouse Gas Emission Standards for Existing Power Plants

On June 2, the U.S. Environmental Protection Agency (EPA) released long-anticipated carbon dioxide emission standards for existing power plants.

The proposed [Clean Power Plan](#), as the administration is calling it, would require the power sector to cut carbon dioxide emissions 30 percent below 2005 levels by 2030. To do this, EPA is proposing state-specific emissions goals. The state goals are not requirements on each specific power plant, but rather provide individual states the flexibility to meet the 30 percent reduction rate by 2030 through lowering overall carbon intensity of the power sector. EPA will determine state-specific goals by using a basic formula of:

$$\frac{\text{CO2 emissions from power plants in pounds}}{\text{State electricity generation from power plants in Megawatt Hours}} = \text{State-specific Goal}$$

Regulatory Authority

EPA has the authority to set standards on sources that cause or significantly contribute to air pollutions under section 111 of the Clean Air Act. Specifically, section 111(d) requires states to develop implementation plans for how to comply with such standards set by EPA. While there are currently emission limits on power plants for mercury and arsenic, there are no limits on carbon dioxide. In a 2007 U.S. Supreme Court Case [Massachusetts v. EPA](#), the court determined that the agency could regulate carbon dioxide emissions if it was able to conclude that the gas endangered public health or the environment. In 2009 EPA issued this “endangerment finding” for carbon dioxide.

State Flexibility

Under the new proposed rules, states would be allowed to develop implementation plans that fit with their state-specific goals to reduce carbon pollution, and would be given the ability to tailor their plans to the states' unique characteristics.

EPA has identified four “building blocks” that they feel make up the best system of emission reductions: heat rate improvements; using less carbon intensive affected electricity generating units; using more low- or zero-carbon generation; and using demand-side energy efficiency. States do not have to put in place the same strategy that EPA laid out in order to achieve compliance. The agency is also encouraging states to work together with their regions to develop multi-state plans, if it makes sense.

States must submit their implementation plans for reducing carbon dioxide emissions by June 2016; however, there is an option to use a two-step process for submitting final plans if more time is needed. The two step process includes setting interim goals for 2020-2029 and a final goal that the state must meet by 2030 and thereafter.

EPA will be accepting comments on the proposed rules from the public for 120 days after the rule is posted in the federal register. Today's proposal and a [proposed](#) rule limiting carbon dioxide emissions for future power plants (see [NCSL's Info Alert](#)), are all part of President Obama's [Climate Action Plan](#).

As always, if you have any questions or concerns regarding the announcement please do not hesitate to contact NCSL staff [Ben Husch](#) (202-624-7779) or [Melanie Condon](#) (202-624-3597).

Additional Resources

[EPA Fact Sheet: Overall Rule](#)

[EPA Fact Sheet: State Goals](#)

[Regulatory Impact Analysis](#)