



Adopted on September 29, 2014

Sponsored by: Representative Jim Gooch of Kentucky
Representative Bill Sandifer of South Carolina
Senator Art Kirkendoll of West Virginia

4.2014 –Resolution Concerning U.S. EPA's Proposed Greenhouse Gas Emission Guidelines for Existing Fossil-Fueled Power Plants

WHEREAS, on June 18, 2014, the United States Environmental Protection Agency (EPA) published in the Federal Register a proposal ("Clean Power Plan") for reducing carbon dioxide (CO₂) emissions from existing fossil-fueled power plants based on Clean Air Act Section 111(d); and

WHEREAS, EPA's proposed Clean Power Plan establishes significant CO₂ emission reductions for power plants in the Southern States Energy Board member states that will cause disruptive changes in the region's well diversified electricity mix; and

WHEREAS, states would only have 12 to 24 months after EPA approves their implementation plans to progress towards meeting their interim emissions target on January 1, 2020; and

WHEREAS, EPA, in its Regulatory Impact Analysis and databases, lists potential plant unit retirements for states and predicts that 46 to 49 gigawatts of coal-fueled generation in the U.S. will be shut down between 2016 and 2020 due to its Clean Power Plan and 75 percent of that lost capacity will disproportionately come from the 16 states in the SSEB region; and

WHEREAS, these retirements are in addition to the 71 gigawatts of coal-fueled generation that EPA acknowledges has retired or will retire between 2010 and 2020, for a total loss of generation to power 60 million homes due to other recent regulations and factors; and

WHEREAS, the promotion and funding of carbon capture and storage (CCS) technology development is essential to continuing the progress of facilities, such as Plant Barry in Alabama, the largest carbon capture and storage demonstration project to date; and

WHEREAS, another component of the proposed regulations that has serious implications for the Southern region is the EPA's treatment of under-construction nuclear energy facilities. In calculating state benchmarks, the EPA credited under-construction nuclear energy facilities as if they were currently operational. This disproportionately affects states in the southern region, as the only nuclear energy facilities currently being constructed are in the states of Georgia, South Carolina, and Tennessee. It is inappropriate to reflect the completion of these units in state goals, as the units are not currently completed. As a result, the affected states will have to make more drastic emissions reductions in order to meet the proposed goals; and

WHEREAS, EPA does not recognize the CO₂ emission reductions states have made before 2012, although the U.S. leads all other countries in reductions made since the year 2005; and according to EPA's modeling, would lead to 11 of the 16 SSEB states reducing their power plant CO₂ emissions more than the 30 percent national reduction from 2005 levels; and

WHEREAS, the 16 states in the Southern States Energy Board region currently produce over 50 percent of the U.S. energy supply, and \$5 trillion of the nation's \$16 trillion economic output with a commensurate number of high quality jobs in the manufacturing and agriculture sectors and with much lower electricity rates and higher economic growth than states with self-imposed carbon limits; and

WHEREAS, SSEB, individual state and other associations of legislators, financial regulators, attorneys general, and environmental commissioners have previously expressed their concerns



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with EPA's plans to regulate CO₂ emissions, have supported reasonable environmental policies as long as they maintain predictable, stable, affordable, and reliable supplies of electricity and have expressed the need to preserve the rights and powers of the states, including the sovereign right of each state to determine the appropriate mix of energy resources to meet its electricity needs; and

Whereas, EPA's proposed Clean Power Plan would establish an unprecedented program for EPA to regulate the production, delivery and use of electricity in the SSEB states and the entire United States by requiring each state to achieve an emission rate that cannot be achieved by the emitting 111(d) designated facilities so that states must rely on the production of electricity from non-emitting sources and from avoided generation attributed to consumer end use efficiency measures; and

Whereas, Congress did not empower EPA to expand its environmental policy role beyond the requirements in Section 111 of the Clean Air Act and EPA would be intruding upon the authority reserved to the states under the 10th Amendment of the U.S. Constitution; now

THEREFORE, BE IT RESOLVED that the Southern States Energy Board requests that the U.S. EPA withdraw the proposed guidelines and issue new guidelines that allow the southern states to establish policies that are in the best interest of the region and each of its states. The guidelines should:

1. Respect the primacy of states by allowing states to develop plans that establish performance standards and discretion and flexibility in establishing compliance mechanisms.
2. Maintain an adequate, reliable, affordable electrical generating fleet.
3. Be based on EPA guidelines for cost-effective, achievable reductions at the affected power plant units, rather than the states.
4. Establish emissions guidelines based on adequately demonstrated systems that are fuel and technology specific.
5. Provide credit for significant emissions reductions already made or being made.
6. Avoid premature retirements and stranded assets.
7. Be fair and equitable to all electricity consumers; and

BE IT FURTHER RESOLVED, that EPA should adopt policies that do not conflict with the responsibility of each state to provide affordable and reliable supplies of electricity for its citizens; and

BE IT FURTHER RESOLVED, the United States Department of Energy, Office of Fossil Energy should receive an increased appropriation to provide funding to further develop carbon capture and storage technology essential to ensuring that coal remains a vital and competitive asset in the United States' energy portfolio; and

BE IT FURTHER RESOLVED, SSEB recommends that state legislators work with other policymakers in their states to:



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- a) Provide comments to EPA on the legal, reliability, affordability, achievability, timing, implementation scheduling, and other issues that need to be considered for individual and groups of states to eliminate or minimize the aforementioned risks; and
- b) Jointly develop state implementation plans to protect residential, industrial, and commercial electricity users and ensure continued reliability of the electric system; and
- c) Continue to engage EPA and other relevant federal agencies and congressional delegations after the regulation is finalized to eliminate or minimize the aforementioned risks and consequences.