

The EPA's Proposed Clean Power Plan: State Impacts and Actions

SSEB

SLC

July 18, 2015

Randy Eminger
South Region Vice President

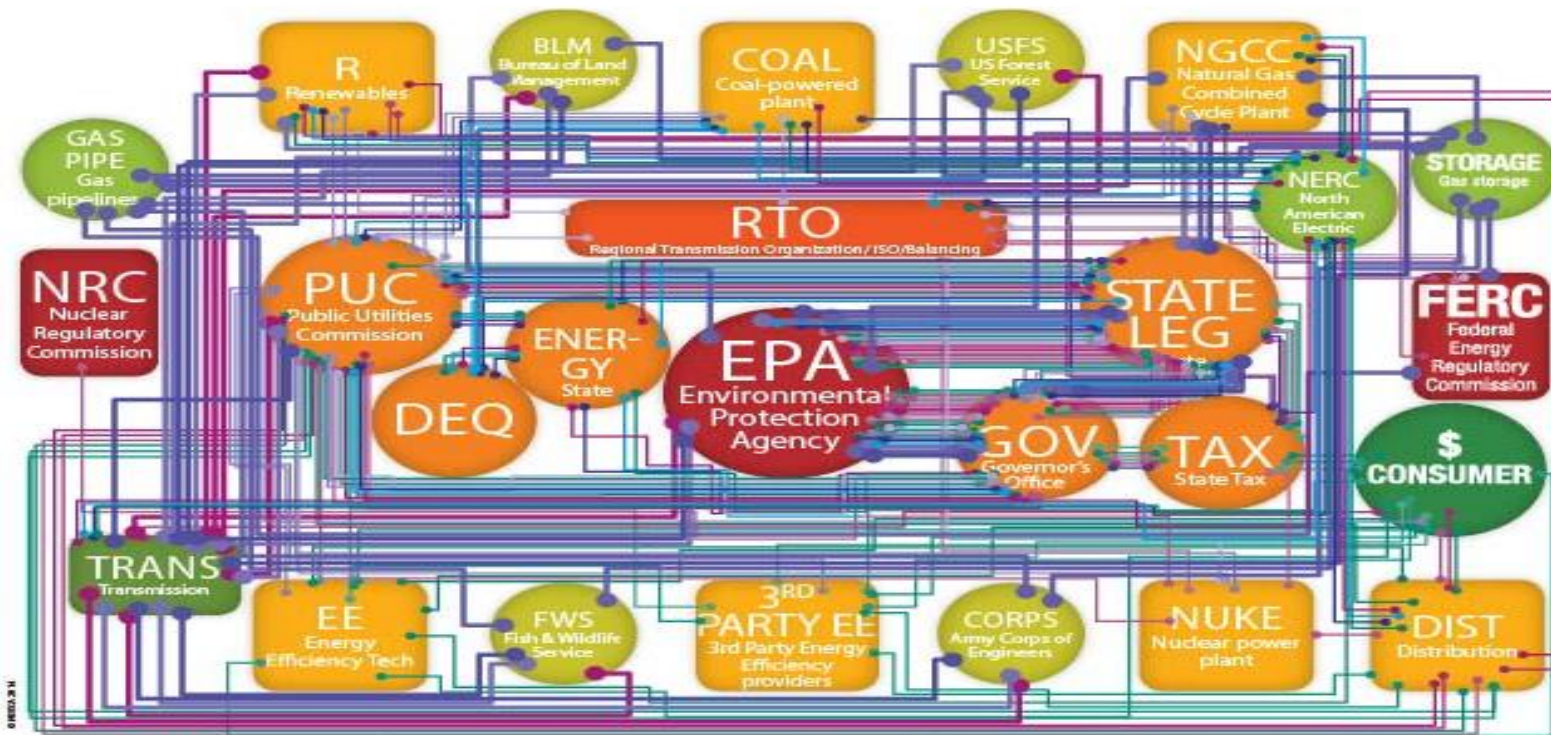
American Coalition for Clean Coal Electricity

Up until now, power plants had a straightforward experience with the EPA



TYPICAL CLEAN
AIR RULE

With EPA's new Clean Power Plan, life's a lot more complicated



EPA PROPOSED CO₂ RULE

- ↔ IMPROVE EFFICIENCY OF EXISTING COAL-FIRED PLANTS
- ↔ INCREASE THE USE OF NATURAL GAS COMBINED CYCLE PLANTS

- ↔ INCREASE THE DEPLOYMENT OF RENEWABLE AND NUCLEAR ENERGY
- ↔ REDUCE DEMAND THROUGH END-USE ENERGY EFFICIENCY PROGRAMS

- FEDERAL
- REGIONAL
- STATE
- UTILITIES / 3RD PARTY POWER PRODUCERS
- FEDERAL RESOURCE AGENCIES
- OTHER TRANSMISSION
- CONSUMER

The EPA's proposal will require every state to meet a goal to reduce its CO₂ intensity from the electricity sector in that state. If that state's electricity is generated from coal, depending on that state's energy mix, that state's electricity plants will need a much larger array of regulators, legislators, and regulated entities than any other electric-generating facilities in state. This chart demonstrates the complexity of the proposal.

Increase Electricity Prices Substantially

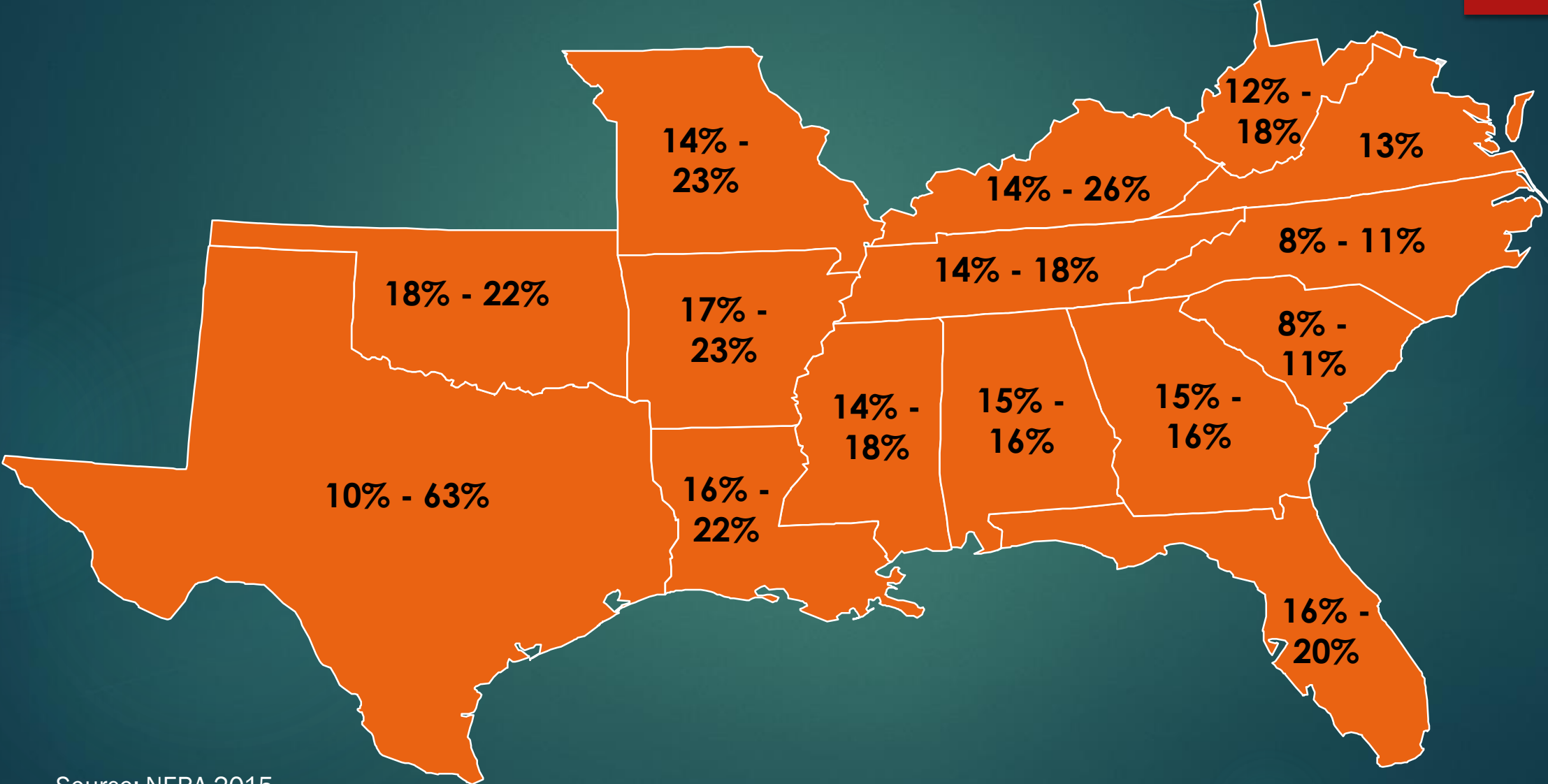
5

43 states will see Double Digit rate increases.

Annual Compliance costs average **\$41 to \$73 billion**.

Consumers will spend **\$560 billion** on ways to cut electricity use.

NERA projects the proposed CPP will cause a double digit increase in electricity prices for consumers in all Southern states



Source: NERA 2015

Family Energy Cost Southern States

Nearly a third of the families in the South have incomes less than **\$30,000** and take home **\$1,300** per month.

These families spend nearly a **quarter** of their take-home pay on energy.

In response to high energy bills,

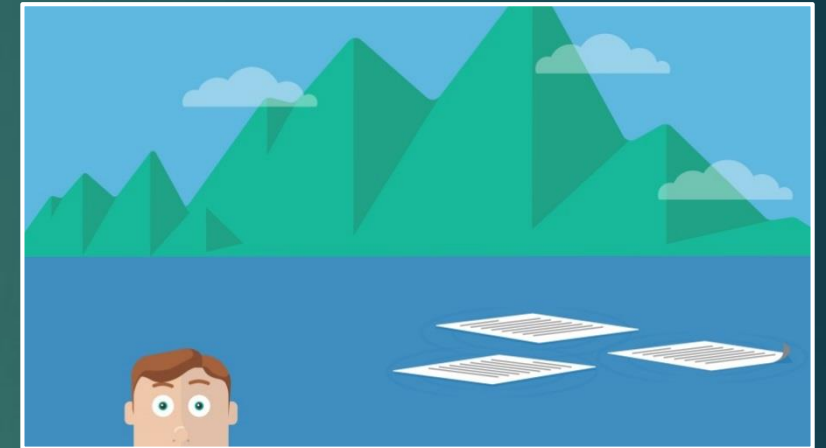
- ▶ 24% of low-income households went **without food** for at least one day,
- ▶ 37% of low-income households went **without medical or dental care**,

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

CO₂ concentrations will be reduced by less than **0.5%**

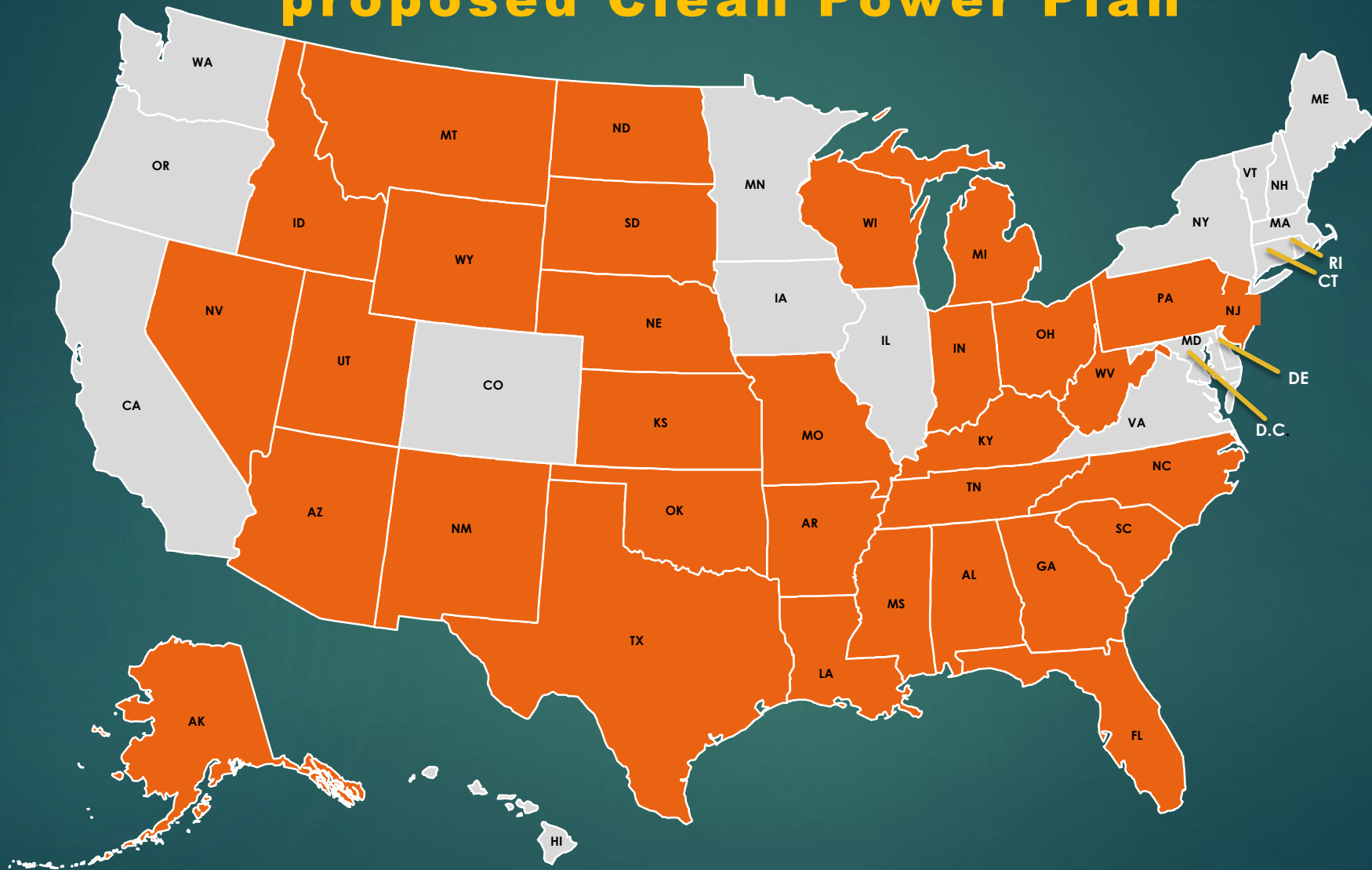
Global average temperature rise will be reduced by **0.016 degree F** (less than 2/100^{ths} of a degree)

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.

Officials from 32 States oppose the EPA's proposed Clean Power Plan



So far, 18 States are expected to sue the EPA over the Clean Power Plan. More states are expected to sue after the Clean Power Plan is finalized.

10

