SSEB Associates Meeting

State Legislation Affecting Coal-fueled Electricity

July 16, 2011

ACCCE

AMERICAN COALITION FOR CLEAN COAL ELECTRICITY

Climate Change Legislation

- 95% of legislation introduces in states in 2011 dealt with pushing back federal, regional, local GhG initiatives
- Out of RGGI; NJ, ME, NJ, NH, DE
- Out of MGI; IA, MN
- Out of WGI; MT, NM, OR
- Call on Congress to Oppose EPA Regulation of GhG (FL,IL,IA,KS,MN,MO,MT,NH,ND)

Repeal of State Initiatives

- State agencies do not have authority to regulate GhG (MT, KY, AZ)
- States can not go beyond federal regulations (NC, TX)
- Require Economic Impact Statement (OR, MN, MT, AZ)

Carbon Sequestration

- Administrative Procedures
  - Define ownership, Transmission of CO_2, Easements, Eminent Domain, Classification of wells (IN, MI, MT, ND, OK, WY)
  - Agency Studies (CA, NE, NY, UT, WY,)

Fuel Switching

- Oklahoma & Texas
- Texas mandate 4,000 MW of coal converted to natural gas
- Oklahoma voluntary (OCC & utility) agree to convert
  - CWIP, Fuel Cost recovery, etc.

ALEC Interstate Air Compact

- Regional air compact to deal with clean air act issues
- Replace the function of the EPA (enforcement authority)
- Enactment by each state as well as by Congress

NERA Economic Study

- Cost of proposed CATR + MACT
- Retirement of 48 GW coal-fueled power
- Electric cost increase $182 Billion (2011-2030) or $17.8 Billion annually
- Coal-fueled generation in 2016 would decrease by about 13%

Switch to Natural Gas

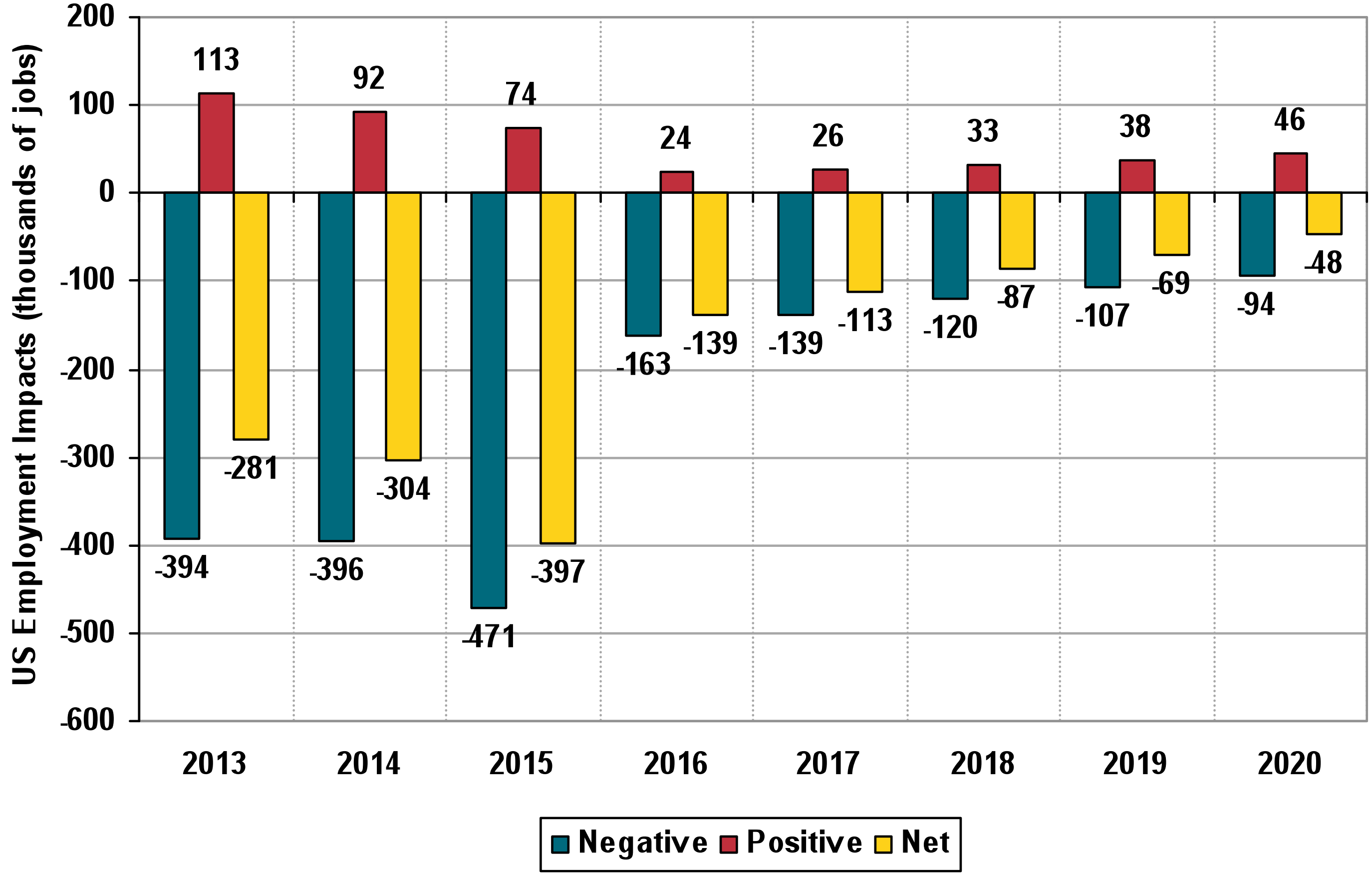
- Natural gas generation would increase by 26%
- Natural Gas price increase for residential, commercial, and industrial sectors by $85 billion (2011-2030) or $8.2 billion annually
- U.S. job-years will decrease by 1.4 million from 2013-2020.

Regional Retail Electricity Prices

Percentage Change in Average Retail Electricity Prices

		2016	2020	2025
	US Average	+11.5%	+9.5%	+8.5%
NEWE	New England	+7.5%	+7.7%	+5.4%
NYCW	NYC	+5.5%	+5.0%	+7.6%
NYLI	NY Long Island	+6.5%	+4.8%	+6.6%
NYUP	NY Upstate	+8.0%	+6.4%	+8.1%
RFCE	Mid-Atlantic	+17.1%	+9.9%	+7.8%
SRVC	VA & Carolinas	+12.7%	+9.9%	+8.2%
SRSE	Southeast	+14.5%	+9.4%	+9.8%
FRCC	Florida	+8.8%	+8.9%	+8.5%
RFCM	Lower MI	+20.5%	+17.7%	+13.4%
RFCW	OH, IN, & WV	+12.9%	+12.1%	+11.9%
SRCE	KY & TN	+23.5%	+17.8%	+13.3%
MROE	WI & Upper MI	+21.7%	+17.3%	+12.6%
MROW	Upper Midwest	+17.6%	+14.1%	+10.2%
SRGW	South IL & East MO	+23.1%	+18.8%	+16.3%
SPNO	KS & West MO	+12.8%	+12.0%	+14.6%
SRDA	AR, LA, & West MS	+9.0%	+8.0%	+7.5%
SPSO	Oklahoma	+15.8%	+12.8%	+10.9%
ERCT	Texas	+12.1%	+9.4%	+9.5%
RMPA	CO & East WY	+6.1%	+7.3%	+8.8%
NWPP	Northwest	+2.0%	+4.0%	+7.9%
AZNM	AZ & NM	+6.1%	+5.2%	+3.6%
CAMX	California	+1.8%	+1.9%	+0.8%

Economic Impacts: U.S. Employment 2013-2020



U.S. Total 2013-2020:

Negative: -1.88 million

Positive: 0.45 million

Net: -1.44 million

Note: Negative employment impacts are the sums of employment impacts in sectors with net losses.
Positive employment impacts are the sums of employment impacts in sectors with net gains.

Regional Haze

- OK, ND, NM, TN (EPA/state conflict on Regional haze
- CAIR equals Best Available Retrofit Tech. (BART) for reasonable progress
- CAIR has been replaced by Cross-States Air Regulation
- CAIR/CSAR will not meet reasonable progress

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RANDY EMINGER

AMERICAN COALITION FOR CLEAN COAL ELECTRICITY

reminger@cleancoalusa.org

703.302.1212