

**U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON SCIENCE, SPACE, AND TECHNOLOGY**

HEARING CHARTER

State Perspectives: How EPA's Power Plan Will Shut Down Power Plants

Friday, September 11, 2015
9:00 a.m. – 11:00 a.m.
2318 Rayburn House Office Building

PURPOSE

The Subcommittee on Environment will hold a hearing entitled *State Perspectives: How EPA's Power Plan Will Shut Down Power Plants* on Friday, September 11, 2015, in Room 2318 of the Rayburn House Office Building. The hearing will examine the U.S. Environmental Protection Agency's (EPA) carbon emissions regulations and the impact of this rule on states.

WITNESS LIST

- **Mr. Craig Butler**, Director, Ohio Environmental Protection Agency
- **Dr. Bryan Shaw**, Chairman, Texas Commission on Environmental Quality
- **Mr. Jason Eisdorfer**, Utility Program Director, Oregon Public Utility Commission

BACKGROUND

On June 2, 2014, EPA proposed the Clean Power Plan with the intent of regulating carbon emissions from existing source electricity generating units.¹ Under Section 111(d) of the Clean Air Act, EPA proposes that states formulate implementation plans to limit carbon emissions.² The scope and manner in which the rule has been conceived by the agency has been met with considerable opposition from many states and other stakeholders.³

The Clean Power Plan would require states to meet requirements for carbon emissions from electricity generating units.⁴ The proposed rule required states to meet the carbon

¹ Clean Power Plan Proposed Rule, U.S. EPA, available at <http://www2.epa.gov/carbon-pollution-standards/clean-power-plan-proposed-rule>.

² Carbon Pollution Emission Guidelines for Existing Stationary Sources: Electric Utility Generating Units, 79 Fed. Reg. 34,830 (June 18, 2014), available at <http://www.gpo.gov/fdsys/pkg/FR-2014-06-18/pdf/2014-13726.pdf>.

³ U.S. Chamber of Commerce, Comments on Carbon Pollution Emission Guidelines for Existing Stationary Sources: Electric Utility Generation Units, Dec. 1, 2014, available at https://www.uschamber.com/sites/default/files/12.1.14-comments_to_epa_on_proposed_carbon_emission_standards_for_existing_power_plants_clean_power_plan.pdf; Comment From the Attorneys General of the States of Okla., W. Va., Neb., Ala., Fla., Ga., Ind., Kan., La., Mich., Mont., N.D., Ohio, S.C., S.D., Utah, Wyo. on Proposed EPA Carbon Pollution Emission Guidelines for Existing Stationary Sources: Electric Generating Units available at <http://www.ok.gov/oag/documents/EPA%20Comment%20Letter%20111d%2011-24-2014.pdf>.

⁴ U.S. EPA, EPA Fact Sheet: Clean Power Plan National Framework for States, available at <http://www2.epa.gov/sites/production/files/2014-05/documents/20140602fs-setting-goals.pdf>.

emissions standard through four Building Blocks: (1) improving the efficiency of coal steam electric generating units by an average of six percent; (2) relying more on combined cycle natural gas units for electricity in peak usage times to a 70 percent capacity factor; (3) constructing more zero and low-emitting power sources; and (4) and implementing energy efficiency measures to limit annual electricity demand by 1.5 percent annually.⁵

The EPA announced the final Clean Power Plan rule on August 2, 2015.⁶ The final Clean Power Plan rule is anticipated to be published in the Federal Register in October, the final step before the rule is implemented. The final rule made the following changes to the proposed rule. In Building Block 1, which requires the improved efficiency of existing source power plants, the EPA lowered the required improvement to 4.3 percent per plant. In Building Block 2, which requires the substitution of natural gas for electricity generation, the final rule now assumes that natural gas plants can run at 75 percent of the net summer capacity, an increase from 70 percent. In Building Block 3, requiring the substitution of zero-emissions power sources, the EPA now assumes greater use of renewables than the proposed rule. The highly controversial and legally questionable Building Block 4 requiring states to adopt energy efficiency requirements was removed from the final rule. However, the rule still carves out benefits for states in an effort for them to adopt efficiency measures.

Additionally, the final Clean Power Plan rule created new emissions requirements for each state as compared to the proposed rule. EPA opted for a unified standard in the final rule, reflected in more stringent emissions guidelines for states that rely most heavily on fossil energy for electricity. Western and Midwestern states are required to cut their use of fossil energy the most under this final rule, with over 20 states facing carbon reductions greater than 30 percent of current output.⁷

Recently, the U.S. Energy Information Administration (EIA) produced a report at the request of Chairman Smith that found that EPA's Clean Power Plan would force the retirement of a significant number of coal-fired power plants, increase electricity prices, and decrease American GDP.⁸ On June 24, 2015, the Subcommittees on Environment and Energy held a hearing examining the impacts of the Clean Power Plan as reported by the EIA.⁹

Despite EPA's contention that it has provided states more flexibility to comply with the final rule, at least sixteen states have sued EPA over the Clean Power Plan rule, citing an overreach of the agency's authority under the Clean Air Act and an unlawful attempt to usurp states' ability to regulate electrical generation systems as the basis for their challenge.

⁵ *Id.*

⁶ U.S. EPA, Carbon Pollution Emission Guidelines for Existing Stationary Sources: Electric Generating Units, Final Rule, available at <http://www2.epa.gov/sites/production/files/2015-08/documents/cpp-final-rule.pdf>.

⁷ E&E News Clean Power Plan Hub, available at http://www.eenews.net/interactive/clean_power_plan#updated_total_reduction_percentage.

⁸ U.S. Energy Information Administration, Analysis of the Impacts of the Clean Power Plan, May 2015, available at <http://www.eia.gov/analysis/requests/powerplants/cleanplan/pdf/powerplant.pdf>.

⁹ Information on this hearing is available at: <https://science.house.gov/legislation/hearings/subcommittee-environment-and-subcommittee-energy-hearing-us-energy-information>