



EPA's Clean Power Plan

Status Update & Policy Considerations

Pierre Bull, NRDC

CRS Renewable Energy Markets Conference
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THE EARTH'S BEST DEFENSE

THE TIMELINE

2013

January 20th

June 25th

September 20th

- ✓ Start of President Obama's second term.
- ✓ President Obama announces Climate Action Plan.
- ✓ EPA proposes carbon pollution standards for future power plants.

2014

May 9th

June 1st

Nov 11th

June-Dec 1st

- ✓ End of public comment period for future power plant proposal.
- ✓ EPA to propose guideline for carbon pollution standards for existing power plants.
- U.S. – China Climate Accord Signed*
- ✓ *Public comment period on existing power plant proposal.*

2015

June 1st

- **EPA to finalize power plant carbon pollution standards.**

2016

June 30th

July-December

- States to submit implementation plans for existing power plants to EPA.
- EPA reviews state plans for compliance with its guideline.

2017

January 20th

- End of President Obama's second term.

SUPREME COURT AFFIRMED

THREE RECENT DECISIONS FURTHER STRENGTHEN THE LEGAL CASE

David Doniger's Blog

Supreme Court Backs Carbon Pollution Controls - Again



Posted June 23, 2014 in [Curbing Pollution](#), [Solving Global Warming](#), [U.S. Law and Policy](#)

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Building on two prior decisions affirming the Environmental Protection Agency's authority to set carbon pollution standards, the Supreme Court today held that the core provision of the Clean Air Act's permitting requirements also applies to carbon pollution.

Coming three weeks after EPA proposed carbon pollution standards for existing power plants, this is the third time the Supreme Court has backed EPA's authority to curb heat-trapping carbon pollution under the Clean Air Act.

http://switchboard.nrdc.org/blogs/ddoniger/supreme_court_backs_carbon_pol.html

STATES ALLOWED FLEXIBLE COMPLIANCE OPTIONS



Heat rate reductions



Cleaner power sources



More renewables



Investments in efficiency

EPA's CLEAN POWER PLAN FOUNDATIONAL GUIDELINES

SYSTEM-BASED, STATE SPECIFIC STANDARDS

State-specific fossil-fleet average CO₂ emission rates (lbs/MWh) for 2020 and 2025

Calculated by applying benchmark coal and gas rates to each state's baseline (2008-2010) fossil generation mix

Averaging allowed among all fossil units in state (including new units subject to the 111(b) standard)

Credit for incremental renewables and energy efficiency (equivalent to adding MWhs to denominator in calculating emission rate for compliance purposes)

States may opt in to **interstate averaging** or credit trading

States may adopt **alternative plans**, including **mass-based** standards, provided they achieve equivalent emission reductions

INTERSTATE ISSUES FOR CONSIDERATION

Exporter states

- ✓ Power leaves the state, emissions remain
- ✓ States exporting to CA: emissions already counted under AB-32?

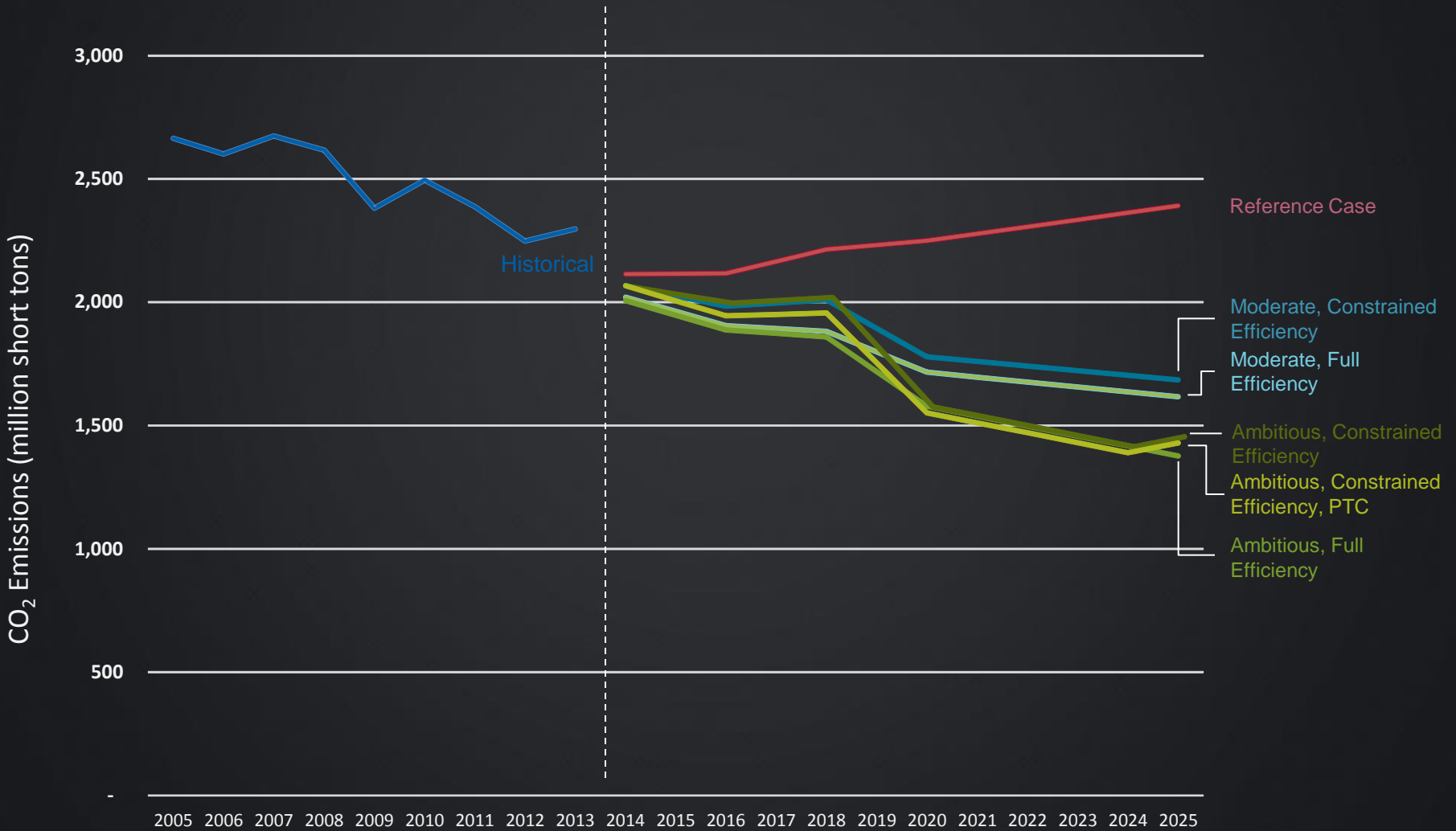
Importer states

- ✓ Ability to select compliance pathways potentially limited by decisions in exporting states
- ✓ Changes in out of state purchases reflected?
- ✓ Out of state renewables and REC purchases?

A multi-state compliance agreement would allow each state to plan around utility portfolios, whether or not they cross state lines [we encourage regional cooperation]

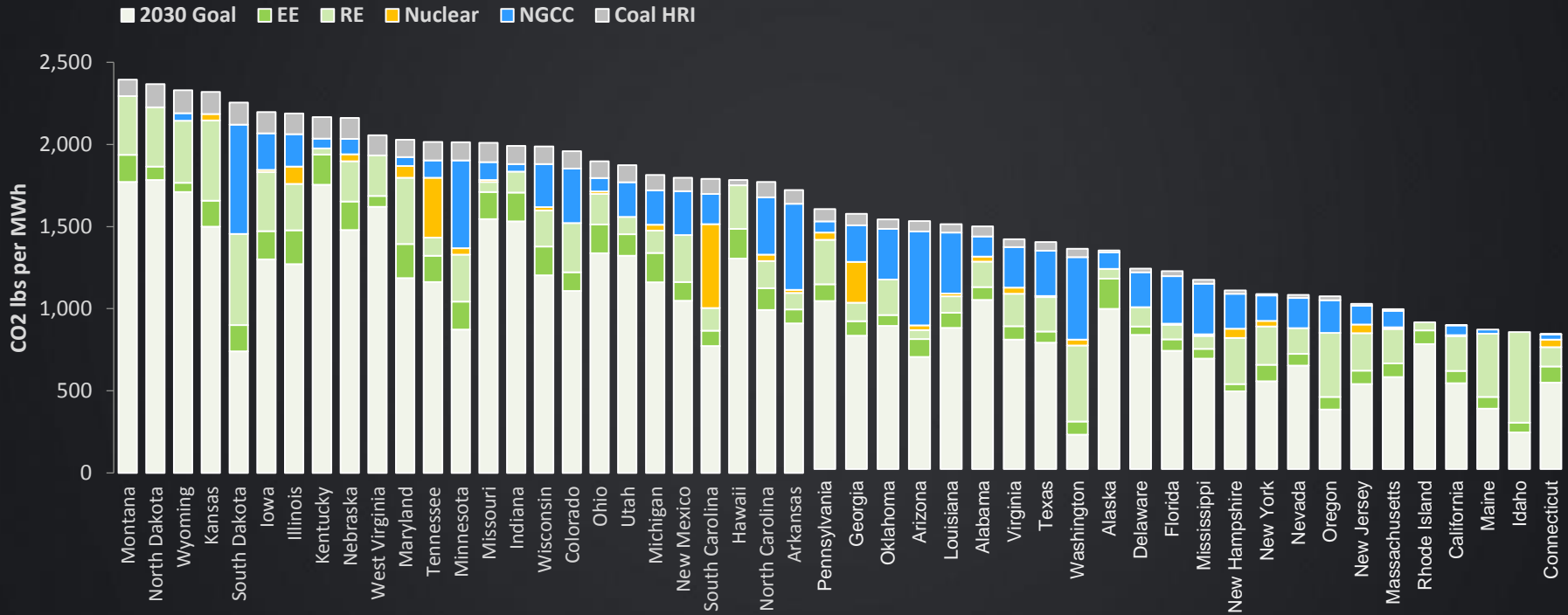
NRDC POLICY CASES vs REFERENCE CASE

POWER SECTOR EMISSIONS 2014-2025



FROM HERE TO THERE (HYPOTHETICAL)

IPM ANALYSIS WITH FULL EFFICIENCY AND RENEWABLES DEPLOYMENT (short tons CO₂/MWh)



Think Outside the Box



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