POLICY POSITION

2. CONCERNING U.S. EPA PROPOSED GREENHOUSE GAS EMISSION STANDARDS FOR NEW FOSSIL-FUELED POWER PLANTS

BACKGROUND

The U.S. Environmental Protection Agency (EPA) has proposed regulations for New Source Performance Standards (NSPS) for carbon dioxide (CO2) emissions from new coal- and natural-gas-fueled electric generating units (77 Fed. Reg. 22,392, April 13, 2012), which would impose a single emission rate standard of 1,000 pounds of CO2 per megawatt-hour on both coal and natural gas combined-cycle power plants, and require new coal units to employ carbon capture and storage (CCS) technology.

President Obama’s Interagency Task Force on Carbon Capture and Storage has determined that CCS technologies “are not ready for widespread implementation primarily because they have not been demonstrated at the scale necessary to establish confidence for power plant application.” In addition, the EPA has found that the application of CCS technology to new coal-fired power plants would increase the cost of electricity produced by such plants by 80 percent. This barrier to the construction of new coal-fired power plants, combined with an already anticipated increase use of natural gas in the chemical, industrial, and transportation sectors, could lead to increased gas demand, and an overreliance on a single type of fuel for future baseload power generation.

Moreover, previous EPA NSPS for fossil-fuel generating units have established separate emission standards for coal steam-electric and natural gas combined-cycle units, signifying the inherent differences in these fuels and electricity generation technologies.

President Obama’s June 25, 2013, Memorandum for the Administrator of the Environmental Protection Agency concerning power sector carbon pollution standards directed the Administrator, “in light of the information conveyed in more than two million comments on [the proposed new source greenhouse gas standards] and ongoing developments in the industry, …to issue a new proposal by no later than September 30, 2013,” thus recognizing the need to correct deficiencies in the standards originally proposed by U.S. EPA.

RECOMMENDATION

The Southern Legislative Conference of The Council of State Governments, with the goal of ensuring that national energy policy encourages—not impedes—access to all available domestic sources of energy, urges President Obama and the EPA to re-issue new greenhouse gas NSPS for fossil-fueled electric generating units, providing separate standards for coal-fueled steam and natural gas combined-cycle electric generating units, which will optimize the economic and equitable utilization of all types of domestic fossil fuels.

Adopted by the Southern Legislative Conference, Mobile, Alabama, July 30, 2013