

## EPA Clean Power Plan Explained

### Background

- On June 2, 2014, as part of President Obama's Climate Action Plan, to address climate change through a series of executive orders, the Environmental Protection Agency (EPA) issued a Notice of Proposed Rule Making (NPRM) titled the Clean Power Plan to cut carbon emissions from current power plants.
- The rules were originally proposed in 2012 but were withdrawn for further study due to external pressure.
- The EPA was granted authority to control Greenhouse Gasses under the Clean Air Act by the US Supreme Court in 2007 (Massachusetts v. EPA).
- Power plants emit 38% of the country's total carbon pollution, the most of any sector.

### Timeline

- The Proposed Rule was announced by the EPA in the Federal Register on June 2, 2014.
- The public will have 120 days to submit technical and substantive comments regarding the rule to the Environmental Protection Agency, including 4 public hearings during the week of July 28<sup>th</sup>, 2014.
- The EPA will review the submitted comments and finalize the Rule and its accompanying standards by June, 2015.
- Each state will have until June 30, 2016 to submit a plan to reduce greenhouse gas emissions from power plants. If a state chooses to develop a regional plan with other states, that deadline can be extended to June 30, 2018.
- States will be required to meet interim, yearly emissions reductions goals starting in 2020. States will be required to achieve their final goals by 2030.

### Clean Power Plan's proposal

- The EPA has created individual goals for each state to reduce the amount of carbon emitted during the generation of electricity.
- Each state's goal was determined using a formula that weighed the existing emission rate (in 2012), current low- and zero-emission plants, and perceived gains from increased efficiency of: coal-fired power plants, natural gas plants, new renewable energy plants, and increased energy efficiency efforts.
- The State of Florida's goal is a 40.2% reduction from its 2012 emissions rate.
- Each state will be allowed to develop an individual plan to reach their respective goal and can include multiple strategies including increasing fossil fuel plant efficiency, increased use of low- and zero-emission energy generation, and increased energy efficiency.

### Considerations

- There are two power plants in Broward County that will be impacted if this rule is adopted.
- Florida Power & Light has not directly stated whether the new standards, as currently proposed, would lead to higher energy prices for Broward consumers.
- If fully implemented, the new rule could result in \$55 billion - \$93 billion in global public health benefits (EPA estimate). The rule could also provide the necessary regulatory boost for renewable energy investment growth. That impact has yet to be fully quantified.
- There is a wide discrepancy between industry estimates for the national cost of implementing this rule (\$50+ billion per year) and the EPA estimates (\$7.3 - \$8.8 billion per year).