

ML Strategies' Energy & Environment Update: Week of 8/11/2014

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This week, ML Strategies' Manager of Government Relations, Sarah Litke, highlights the Environmental Protection Agency's 111(d) Proposed Rule:

The Environmental Protection Agency held public hearings in Atlanta, Denver, Washington, and Pittsburgh the last week of July to consider the Clean Power Plan.

The June 2 proposed rule would require the nation's fleet of existing power plants to reduce CO2 emissions 30 percent by 2030 from a 2005 baseline. Instead of establishing uniform targets for specific types of electric generating units, the Section 111(d) rule establishes state-specific targets for CO2 reductions based on a formula that takes into account the degree of emission reductions the agency has determined is achievable through the implementation of Best System of Emission Reduction at each of the states' fossil-fueled power plants. The formula considers four potential carbon reduction building blocks:

- Making fossil fuel power plants more efficient
- Using low-emitting power sources more frequently
- Expanding zero- and low-carbon power sources
- Using electricity more efficiently

States may convert the rate-based goal into a mass goal, which may be desirable for states or regions that wish to set an overall cap on CO2 emissions from their utilities, which could then be applied in a trading program.

Comments are due October 16. The agency will finalize the rule next June, with initial compliance plans due June 30, 2016, and final compliance plans, upon request from states, due June 30, 2017 or June 30, 2018 for multi-state plans.

Prior to the public hearings, Environmental Protection Agency Administrator Gina McCarthy countered allegations about the proposed rule, saying that the plan would create job opportunities in renewable energy and demand-reduction programs and have an overall positive economic impact. She also continued to reiterate the flexible nature of the plan.

The proposal has already generated 300,000 comments.

The weekly *Energy & Environment Update* from ML Strategies provides an overview of what's happening on and off Capitol Hill and around the world that may impact energy and environmental policies and industry players. [Read the Update here.](#)

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