



## **ACCCE STATEMENT AT EPA 111(d) HEARINGS**

Good morning/afternoon, my name is [xx]. I am [title] at the American Coalition for Clean Coal Electricity. Our members include investor owned utilities, rural electric cooperatives, coal producers, railroads, and manufacturers that are involved in providing affordable and reliable electricity from coal.

Thank you for the opportunity to speak today about EPA's proposal. Because of many serious flaws, ACCCE urges EPA to withdraw its proposal. I will highlight a few of these flaws briefly in the short time available.

**First**, the Clean Air Act does not allow EPA to regulate greenhouse gas emissions from existing coal-fired power plants under Section 111(d) because coal-fired power plants are already regulated by EPA under Section 112 of the Clean Air Act. Recently, Attorneys General from nine states filed an amicus brief to stop EPA's proposal for this very reason, saying that the proposal "violates ... the literal terms of the Clean Air Act." Even if EPA believes it has the basic authority to regulate, Section 111(d) allows EPA to set emission standards based *solely* on emission reductions that can be achieved inside the fence. However, this proposal requires substantial reductions outside the fence. Last year, before the proposal was issued, Attorneys General from 17 states warned EPA that the agency does not have authority to require emission reductions outside the fence.

**Second**, EPA's proposal will cause unacceptable economic impacts, including higher energy prices. ACCCE sponsored extensive analysis of an NRDC proposal which served as the blueprint for EPA's proposal. Our

analysis projected, among other impacts, double digit electricity price increases in most states and substantial increases in natural gas prices nationwide.

Higher energy prices have a disproportionately greater impact on lower-income and middle-income families. Lower-income families are especially vulnerable to higher energy costs because energy represents a large portion of their budgets and reduces the amount of income they can spend on food, housing, health care, and other necessities.

It is also worth noting that states with carbon constraints are already experiencing significantly higher electricity prices. Three months ago, electricity prices in California were 17 percent higher than the national average, and the New England states, part of the Regional Greenhouse Gas Initiative, had 52 percent higher electricity prices.

**Third**, EPA has proposed to substitute its judgment for that of public utility commissions, utility companies, grid operators, and consumers across the nation by presuming the appropriate amounts of electricity from coal, natural gas, nuclear, and renewables, as well as presuming how much electricity consumers should use in each state. In fact, Administrator McCarthy testified recently that EPA wants consumers to use less energy. Although EPA claims states have flexibility to determine how to meet the EPA goals, the magnitude of emission reductions leaves most states little alternative but to follow EPA's mandates.

**Fourth**, EPA bases its proposal on flawed information and assumptions for the four building blocks that are the basis for each state's emissions target.

**Finally**, despite enormous economic impacts, the proposal will have no meaningful effect on global climate change because the proposal will reduce global greenhouse gas emissions by less than 1 percent. If EPA's

own scientific assessments are correct, the emission reductions from this proposal will result in a meaningless 1 percent reduction in atmospheric CO<sub>2</sub> concentrations; an insignificant reduction in global average temperature of 2/100ths of a degree; and a trivial reduction in sea level rise of 1/100th of an inch, the thickness of three sheets of paper.

In conclusion, EPA's proposal has fundamental flaws that cannot be fixed by simply making changes to it. Instead, we urge EPA to withdraw the proposal.

Thank you again for the opportunity to speak.