

IMPACTS OF THE CLEAN POWER PLAN

NERA Economic Consulting analyzed some of the impacts of EPA's Clean Power Plan. The NERA analysis focused primarily on four different cap-and-trade scenarios for complying with the rule. Two scenarios assume *intra-state* compliance where each state complies based on measures within its own borders. The other two scenarios assume *inter-state* compliance where states establish regional cap-and-trade programs. For each of these scenarios, NERA assumed that utilities would have to purchase all the allowance necessary for compliance or that half the allowances would have to be purchased and half would be allocated (free) to utilities. These are some of the highlights of the analysis:

- **Double-digit (10% or greater) average electricity price increases are projected in 41 states under at least one of the scenarios.**
- **Twenty-eight (28) states could see peak-year electricity price increases of 20% or more.**
- **Compliance costs total \$220 billion to \$292 billion over the 12-year period NERA modeled.**
- **Annual compliance costs average \$29 billion to \$39 billion.**
- **Consumers spend nearly \$300 billion to cut electricity use.**
- **As many as 47,000 additional MW of coal capacity will retire.**
- **Households will have \$64 billion to \$79 billion less to spend.**

NERA's model is calibrated to EIA's *Annual Energy Outlook* (AEO) 2015 reference case projection. In addition, NERA used data from third party sources such as EPA, NERC, NREL, and NETL. Other information is available at www.americaspower.org.