

September 13, 2021

The Honorable Frank Pallone, Jr.
Chairman
Committee on Energy & Commerce
U.S. House of Representatives
2125 Rayburn House Office Building
Washington, DC 20515

The Honorable Cathy McMorris Rogers
Ranking Member
Committee on Energy & Commerce
U.S. House of Representatives
2322 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Pallone and Ranking Member Rogers:

America's Power supports an all-the-above approach to electricity in order to take advantage of the attributes of coal, natural gas, nuclear, wind, solar, hydro, other renewables, and battery storage because these resources can complement each other in different ways to provide reliable and affordable electricity. The members of America's Power represent companies and organizations that are involved in generating coal-fired electricity, which provides one quarter of our nation's electricity.

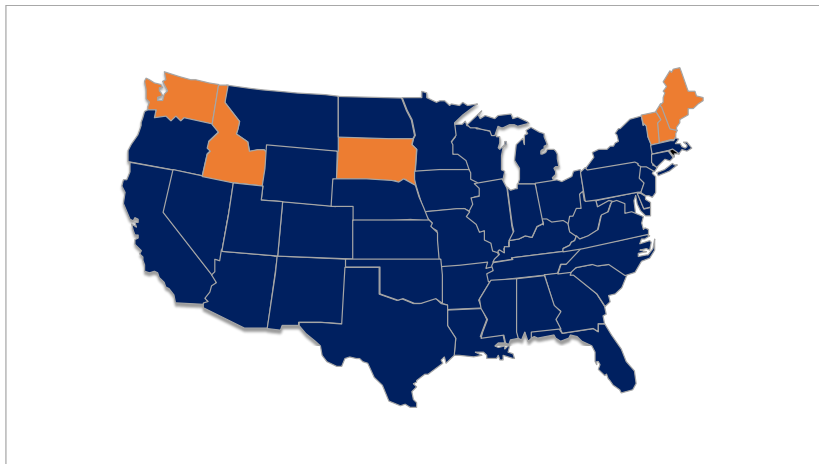
I am writing to respectfully explain our opposition to the Clean Electricity Performance Program (CEPP) proposed in the Build Back Better Act because it is not an all-the-above approach to electricity. This letter summarizes our reasoning.

The CEPP would eliminate coal-fired electricity by 2030, if not sooner.

Although the electricity grid is undergoing a transition, the coal fleet will be needed for the foreseeable future because it promotes grid reliability and resilience, generates affordable electricity, provides fuel security, and is an indispensable alternative when other electricity sources are not available or are too expensive. In addition, coal-fired generation and its supply chain are responsible for 185,000 jobs, which would be lost if coal-fired electricity is eliminated by the CEPP.

In addition to eliminating coal-fired electricity, the CEPP also would eliminate or at least drastically curtail the use of natural gas to generate electricity, even though fossil fuels are responsible for more than 60 percent of the nation's electricity. Only one state (Vermont) does not rely at all on fossil fuels; on the other hand, Delaware is the most fossil-fuel dependent state with 97 percent of its electricity coming from fossil fuels. In total, 44 states (blue in the map below) obtain one-fourth or more of their electricity from fossil fuels; 13 of these are dependent on fossil fuels for 75 percent or more of their electricity. (Alaska (67 percent from fossil fuels) and Hawaii (82 percent) are not included on the map.) The CEPP would eliminate fossil fuel-generated electricity in 49 states in less than ten years.

44 States Rely on Fossil Fuels for 25 Percent or More of Their Electricity



The CEPP would cause an excessive and risky dependence on wind and solar power.

All studies of clean energy standards that we have reviewed conclude that massive amounts of wind and solar power would have to be added to the nation's electricity system to replace coal and natural gas. Collectively, these studies indicate the need to add roughly 1 million megawatts (MW) of wind and solar power at a cost of more than \$1 trillion (excluding transmission costs). For perspective, the entire U.S. electric system today (coal, gas, nuclear, and renewables) is only slightly larger than 1 million MW. Eliminating coal and natural gas would threaten electric reliability because wind and solar are intermittent sources of power that depend on weather conditions and other uncontrollable factors. Some of these studies have pointed out the need to carefully analyze the reliability impacts of operating the electricity grid with massive amounts of wind and solar power. Resilience also should be assessed in any such analysis. Currently, grid operators are evaluating the reliability impacts of switching over to large amounts of wind and solar power. Their evaluations should be used as the basis for understanding the feasibility of any program that would force the addition of 1 million MW of wind and solar power to the grid within a short period of time.

The CEPP does not allow enough time to overcome obstacles to clean energy.

There are many obstacles to increasing the use of wind and solar power on a massive scale in eight years. For example, new electric transmission will have to be built to deliver wind and solar power to consumers. However, some transmission projects are taking as long as 17 to 20 years to complete. Money alone cannot solve this problem. Reforms will help, but they will take time. Other obstacles include, but are not limited to, assuring grid reliability and resilience; maintaining affordable electricity prices; providing adequate dispatchable generation; revising rules in organized electricity markets; developing and deploying cost-effective and reliable battery storage; addressing stranded investments; and mitigating the impacts of job losses on workers

and local communities. The transition to cleaner sources of electricity needs to happen at a more gradual pace in order to overcome these obstacles.

Budget reconciliation should not be used to circumvent the normal legislative process for considering the CEPP.

As you know, the normal process would involve hearings with testimony from experts (proponents and opponents) and would allow time for stakeholders to conduct analysis to understand the impacts (both costs and benefits) of the proposed CEPP. To our knowledge, no analysis of the proposal has been released publicly. Therefore, stakeholders are left to extrapolate from past studies of various clean energy goals in an attempt to understand the impacts of the proposed CEPP. However, extrapolations should not be the basis for re-engineering the nation's electricity system within such a short timeframe.

The CEPP would eliminate the use of fossil fuels to generate electricity in the U.S., while China's coal fleet continues to grow.

China emits 27 percent of global anthropogenic greenhouse gas emissions, making it the world's largest emitter. China's emissions now exceed the combined emissions of the 41 developed countries. The U.S. emits 11 percent, but the U.S. electric sector has reduced its carbon emissions by 33 percent since 2005. China also has the world's largest coal fleet: almost 1.1 million MW plus 247,000 MW that are under construction or have been approved. Eliminating the U.S. coal fleet (217,000 MW) through the CEPP would be more than offset simply by the new coal-fired power plants that China is adding.

EIA projects that the electricity supply will be 50 percent clean by 2030.

The U.S. is already well along the path to cleaner electricity without the CEPP. A technology-based strategy is the best way to reduce carbon emissions from the power sector. To be successful, such a strategy must allow more than eight years to develop and deploy enabling technologies, especially carbon capture and storage.

Sincerely,



Michelle Bloodworth
President and CEO, America's Power

Copy to:

The Honorable Joe Manchin
Chairman
Committee on Energy and Natural
Resources
U.S. Senate

The Honorable John Barrasso
Ranking Member
Committee on Energy and Natural
Resources
U.S. Senate