

# THE CLEAN POWER PLAN (AUGUST 3, 2015)

by  
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In August 2015, the United States Environmental Protection Agency (EPA) announced the Clean Power Plan<sup>1</sup>. The plan introduces national standards to require carbon pollution reductions from power plants. Fossil fuel-fired power plants in the United States account for roughly one-third of the total U.S. greenhouse gas emissions. The Clean Power Plan is designed to be fully implemented in 2030. According to EPA, states have the flexibility to select the measures to use to achieve the statewide goal. The plan also gives states an option to work with other states on multi-state approaches. Following is a summary of how the plan works (excerpted from the EPA fact sheet referenced below).

## How the Clean Power Plan Works<sup>2</sup>

- The final Clean Power Plan – under section 111(d) of the Clean Air Act follows the approach that EPA sets a goal and states and tribes choose how they will meet it. EPA is establishing interim and final carbon dioxide (CO<sub>2</sub>) emission performance rates for two subcategories of fossil fuel-fired electric generating units (EGUs):
  - Fossil fuel-fired electric steam generating units (generally, coal- and oil-fired power plants)
  - Natural gas-fired combined cycle generating units.
- To maximize the range of choices available to states in implementing the standards and to utilities in meeting them, EPA is establishing interim and final statewide goals in three forms:
  - A rate-based state goal measured in pounds per megawatt hour (lb/MWh);
  - A mass-based state goal measured in total short tons of CO<sub>2</sub>;
  - A mass-based state goal with a new source complement measured in total short tons of CO<sub>2</sub>.
- States then develop and implement plans that ensure that the power plants in their state – either individually, together, or in combination with other measures – achieve the interim CO<sub>2</sub> emissions performance rates over the period of 2022 to 2029 and the final CO<sub>2</sub> emission performance rates, rate-based goals or mass-based goals by 2030.

Compliance must not compromise the reliability of the electricity supply. There is a mechanism for a state to seek a revision to its plan in the case where significant reliability issues arise. A reliability safety valve is in place so a CO<sub>2</sub> constrained plant could provide critical generation in an emergency situation.

The Supreme Court of the United States stayed the Clean Power Plan pending the outcome of ongoing litigation. Some states stopped all work on the Clean Power Plan as a result of the stay. The Louisiana Department of Environmental Quality received public comments at a Clean Power Plan listening session held on March 31, 2016. They want to be ready for any decision that may be handed down – the Supreme Court decision could result in the plan being upheld, vacated, or modified.

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<sup>1</sup> United States Environmental Protection Agency (<http://www2.epa.gov/cleanpowerplan>)

<sup>2</sup> United States Environmental Protection Agency (<http://www2.epa.gov/cleanpowerplan/fact-sheet-overview-clean-power-plan>)

## Louisiana's Interim (2022-2029) and Final Goals (2030)

	Rate-Based Goal CO <sub>2</sub> Rate (lbs/Net MWh)	Mass-based Goal (annual average CO <sub>2</sub> emissions in short tons)	Mass Goal (Existing) & New Source Complement
Interim Period 2022-2029	1,293	39,310,314	39,794,622
Interim Step 1 Period 2022-2024	1,398	42,035,202	42,233,941
Interim Step 2 Period 2025-2027	1,265	38,461,163	39,131,613
Interim Step 3 Period 2028-2029	1,175	36,496,707	37,130,156
Final Goal 2030 and Beyond	1,121	35,427,023	35,854,321

SOURCE: Clean Power Plan: State at a Glance - Louisiana<sup>3</sup>

Energy efficiency<sup>4</sup>, at least in theory, should have a significant role in state compliance plans. The Clean Power Plan Toolbox<sup>5</sup> offers resources to help states with energy efficiency strategies to achieve their targets.

1. Under a mass-based approach, energy efficiency automatically “counts” toward compliance and states can use an unlimited amount to help achieve their state goals.
2. Under a rate-based approach, the final Clean Power Plan enables states to get credit for all eligible energy efficiency projects installed after 2012.

<sup>3</sup> Clean Power Plan: State at a Glance - Louisiana (<http://www3.epa.gov/airquality/cpptoolbox/louisiana.pdf>)

<sup>4</sup> Energy Efficiency in the Clean Power Plan (<http://www2.epa.gov/cleanpowerplan/fact-sheet-energy-efficiency-clean-power-plan>)

<sup>5</sup> Clean Power Plan Toolbox (<http://www2.epa.gov/cleanpowerplantoolbox>)