

EPA's Proposed Carbon Pollution Standard Emission Guidelines for Existing Sources: Electric Utility Generating Units

❑ The EPA proposed emission guidelines earlier this summer that are based on Clean Air Act, Section 111(d) . This new rule will:

- ❑ Address carbon pollution from currently operating electrical generating units (EGUs)
- ❑ Implement state specific goals that are based on a best system of emission reduction (BSER) which will include:
 - ❑ Criteria for approvability for each state's plan and plan requirements
 - ❑ Not every state is required to submit a plan. States that do not have any EGUs must send documentation in the form of a formal letter to illustrate their exemption
 - ❑ Tribes have an opportunity to propose a Section 111(d) for it's territory, but there is no formal obligation to do so
 - ❑ Requirements for timely submission of state plans, and consequences for noncompliance

❑ Overview of Section 111(d) and Steps to Implementation

1. EPA issues emissions guideline it determines is appropriate for each state according to budget and feasibility
2. Each state must submit a plan that highlights standards that are equal to or more stringent to the ones described in emissions guideline
 - ❑ The plan must highlight the steps that must be taken to achieve these standards
3. EPA will review and approve each state's plan
4. In the event of noncompliance or the submittal of an unsatisfactory plan, the EPA will submit an FIP (Federal Implementation Plan)



Building Blocks for Setting State Goals and the Best System of Emission Reduction



Building Block One	Building Block Two	Building Block Three	Building Block Four
Reduction of carbon intensity of EGUs through heat rate improvements (e.g. Converting to steam boilers and steam turbines)	Reduction in utilization of EGUs that emit a high level of carbon dioxide by converting usage to EGUs that emit a decreased level of carbon	Reduction of CO ₂ by substituting EGU usage with low or zero carbon generation units. (e.g. conversion to solar, wind, hydro and thermal energy)	Reduction of CO ₂ emissions by the usage of demand-side energy efficiency.

State Goals

- For each state EPA proposes an interim goal for phase-in period 2020-2029, final goal that starts in 2030
- If any state makes an improvement in their CO₂ emission rates it would apply toward the achievement of the state's goal
- Each state's goals should be equivalent to the state specific goals in the emission guidelines
- States can convert EPA's rate-based goal to into a mass-based goal
- States with a multi-state plan would be given a multi-state performance goal
- States do not have the option to adjust the stringency of the proposed goals mandated by the EPA



State Plans

Performance

- Each state must illustrate two measures that will be implemented to achieve performance levels
- Must include a combination of measures to reduce and limit emissions directly from affected sources or a plan that just focuses on reducing limitations

Components of State Plans

- Identification of each location
- Outline of plan approach and geographic locations
- Description of state emission performance level and how plan is expected to achieve it
- Description of emissions standards and assurance that each standard is enforceable, original and achievable
- Method of reporting requirements with a description of state reporting
- Identification of significant progress and methods of reinforcement
- Verifiability of hearing on state plan and supporting documentation

Approvability Criteria

- Measures for EGU CO2 emissions
- Anticipated achievement of state goals that is equal to the timeline proposed by the EPA
- Progress of emission reductions that are verifiable and that include a process for reporting plan execution
- Steps to report on plan execution, achieving emission reduction goals and corrective action

Timetables for Submission

- Each state must submit its plan by June 30, 2016, and if more time is needed, must submit an official letter by April 1, 2016 detailing the need for an extension, actions being taken to complete the plan and submittal of an initial plan by the proposed due date
- For states completing a plan limited to an individual state the deadline for submittal would be June 30, 2017
- For states developing a plan that includes multiple states, the deadline would be June 30, 2018

COMPLIANCE MILESTONES

Initial phase-in compliance period 2020-2029 that each state must abide by

Other responsible parties must abide by the initial phase-in period from 2020-2029

2030: All states and responsible parties must achieve CO2 emission performance level outlined in individual plan