# EPA Must Eliminate the Interim Goals from the Proposed 111(d) Guidance

NRECA continues to urge EPA to withdraw the EPA’s proposed Clean Power Plan (CPP) because it exceeds the agency’s legal authority under the Clean Air Act and is an imprudent policy that negatively impacts the affordability and reliability of our nation’s electricity. EPA’s proposal establishes interim goals for CO2 reductions that states must reach by 2020, and final goals that states must reach by 2030. The interim goals undermine state authority to establish their own compliance plans, are unrealistic, would create undue costs for consumers, and would undermine the reliability of electric service. If EPA won’t withdraw the proposed rule, EPA should eliminate the interim goals and allow states more time to develop their implementation plans.

**The interim goals are inconsistent with the cooperative federalism Congress intended in Section 111(d) of the Clean Air Act (CAA).**

In Section 111(d) of the CAA, Congress gave EPA the authority only to determine the “Best System of Emissions Reductions (BSER).” Congress gave states the authority to determine the level of emissions reductions they can achieve using the BSER in light of a host of local circumstances, including the remaining useful life of the power plants. EPA’s stringent emissions reductions and tight schedules deprive states of the statutory flexibility and authority Congress intended.

**Many states cannot realistically achieve the levels of short-term emissions reductions EPA proposes.**

In many instances, as much as 80% of the state’s total emission reduction has to be achieved by the 2020 interim goals. Further, the State Implementation Plans (SIPs), a required first step that will take several years to develop, must gain EPA’s approval and then be implemented. SIPs are unlikely to be in place until at least 2018.

* Assuming states adopt EPA’s building block approach, infrastructure and program investments required to meet the interim goals cannot be completed in the time permitted by EPA. This includes a range of challenges such as: significant upgrades to coal plants to improve their heat rates; investments in new renewable and gas generation projects, upgrades to many existing gas plants and changes to their air permits to allow them to generate at the levels EPA anticipates; significant increases in gas and renewable generation that will require large investments in transmission to deliver that generation to load and pipeline and storage infrastructure to deliver the additional gas; and lastly, evaluation, planning, and regulatory authorizations to adopt energy efficiency programs that take years to fully implement.

**Requiring states to meet the interim goals by shutting down existing coal resources before alternative resources can be built would impose undue cost on consumers and undermine reliability.**

* ERCOT and SPP have both conducted reliability analyses of the CPP and concluded that the interim goals established in the CPP cannot be accomplished in the time frame the EPA has proposed. They both concluded that shutting down existing coal before alternative resources can be built would create instability on the transmission system and could lead to outages.
* MISO’s economic analysis of the CPP concluded that the interim goals would significantly increase costs to consumers.

For these reasons, EPA must eliminate the interim goal reduction requirements, provide at least five years for individual states to develop implementation plans under 111(d), and at least seven years for states involved in multi-state plans. By taking these steps EPA could help mitigate several critical flaws in the timing of the proposal that would have a cascading negative effect on states and utilities ability to implement the rule.

However, NRECA wants to point out that eliminating the 2020 interim goals would not alter the fundamentally flawed approach taken in the proposal, or the flawed assumptions underlying the proposal.  It is only one of the many issues with the proposal that EPA should address in the final rule.