Meeting with the Office of Management and Budget Regarding GHG NSPS

July 31, 2013

ACCCE
AMERICAN COALITION FOR CLEAN COAL ELECTRICITY

Topics

- ACCCE position
- Policy issues (2012 proposal)
- Legal issues (2012 proposal)
- ACCCE emissions analysis
- Resources

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ACCCE position

- ACCCE is opposed to regulating greenhouse gas emissions under the Clean Air Act
- However, we recognize the President has directed EPA to develop CO_2 standards for power plants
- In response, we have developed recommendations for achievable standards

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Three Basic Recommendations

- Set different CO_2 standards for new coal-fired and gas-fired EGUs.
- Standards for coal should not be based on CCS because CCS is not commercially available.
- NSPS should set achievable emission rates for subcategories of new coal-fired EGUs.

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Policy Concerns (2012 Proposal)

- The proposal takes away the flexibility to build new coal plants and makes natural gas the only fossil fuel available for baseload power generation.
- EPA's analysis is based on low natural gas prices and a "carbon adder" which lead to the conclusion the proposed NSPS will not impose any new costs.
- The proposal could increase electricity prices in certain regions of the U.S. if coal becomes the more economic option in the future.

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Legal Issues (2012 Proposal)

Proposed NSPS is a dramatic departure from past EPA practice because it -

- Combines two existing NSPS source categories into one new source category for the regulation of only CO_2
- Sets a CO_2 performance standard based on a control technology that is available for only one segment of the new combined source category

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Legal Issues (cont.)

Legal flaws with EPA's approach include -

- Proposed NSPS is based on a technology that is not "adequately demonstrated" and not "achievable" for all sources within the source category
- Proposed NSPS effectively mandates a particular technology, NGCC.

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Achievable Emission Rates for New Coal Units

Subcategory	CO2 Emissions Rate
Supercritical (bituminous and subbituminous)	~1,915 lb/MWh
Supercritical (lignite)	~2,150 lb/MWh
Ultra-Supercritical *[Emissions rate subject to change]*	*[~1,900 lb/MWh]*
IGCC	~1,915 lb/MWh

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Emissions Analysis

- Evaluated CO_2 emissions data from 22 of the newest pulverized coal-fired EGUs
- Emissions data from EPA and EIA
- Used EPA statistical methodology
- Derived achievable emission rates for subcategories of new coal units

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Ultra-Supercritical Units

Country	Units	MW
China	72	59,000
Japan	22	18,000
Europe (operating)	6	5,000
Europe (on order)	15	13,000
U.S.	1	600

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In summary …

ACCCE's recommendations are based on sound technical analysis, which was updated recently. We are in the process of developing more data on USC units.

Our recommendations maintain the option to build new high efficiency coal units when new coal units are economical.

ACCCE's recommendations are legally defensible.

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Resources

- ACCCE comments on the 2012 GHG NSPS proposal (June 2012)
- *Analysis of EPA's Proposed GHG New Source Performance Standard for Electric Generating Units* (NERA) (June 2012)
- *Legal Arguments for Setting a Separate CO_2 NSPS Limit for Coal-Fueled Electric Generating Units* (Van Ness Feldman) (February 2013)
- *An Assessment of the Process for Setting a Numeric NSPS Limit for CO_2 Emissions from Coal-Fueled Electric Generating Units* (Van Ness Feldman) (February 2013)
- *Evaluation of EPA's Determination of Coal-Fired Electric Generating Unit (EGU) CO_2 Emissions Standard* (Cichanowicz and Hein) (June 2013)

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Questions?

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