EPA FACT SHEET: Clean Power Plan

NOTICE OF DATA AVAILABILITY RELATED TO THE PROPOSED CLEAN POWER PLAN

On June 2, 2014, the U.S. Environmental Protection Agency, under President Obama's Climate Action Plan, proposed a commonsense plan to cut carbon pollution from power plants. The science shows that climate change is already posing risks to our health and our economy. The agency's proposal will maintain an affordable, reliable energy system, while cutting pollution and protecting our health and environment now and for future generations.

- On October 28, 2014, as part of our continued engagement with the public, EPA issued a notice of data availability, commonly called a NODA, related to the proposed Clean Power Plan. Federal agencies routinely use NODAs to provide the public with an opportunity to consider and comment on emerging technical issues and data related to an ongoing rulemaking or other important environmental protection program.
- Since proposing the Clean Power Plan in June, EPA has engaged in unprecedented outreach to a broad range of stakeholders, including states, utilities, industry, public health and environmental groups, labor, and community groups.
- EPA has heard a wide range of ideas and issues that states, stakeholders, and the public have raised concerning the proposed Clean Power Plan to cut carbon pollution and fight climate change.
- This NODA provides additional information on certain issues that have been consistently raised by a diverse set of stakeholders.
- EPA is issuing this NODA to ensure that all stakeholders and the public are aware of these issues and can consider them as they comment on the proposed Clean Power Plan.
- The NODA is not intended to be a complete summary of the wide variety of ideas that have been raised. The agency has heard many other concepts that are not highlighted in this document because they are covered in the June proposal.
- In this NODA, EPA discusses several issues that have been raised by stakeholders, including:

    1. The trajectory – or glide path – of emission reductions from 2020 to 2029;
    2. Aspects of the way building blocks are established; and
    3. The way the state goals are calculated.

Glide Path of Emission Reductions from 2020 to 2029

- In the NODA, EPA discusses potential technical challenges described by some stakeholders associated with achieving all of the reductions that states would be required to make as early as 2020, when the compliance period begins.
- Stakeholders have suggested two potential approaches for addressing these issues. One suggested

ED_001607_00000065-00001

approach is to allow credit for early reductions, which could provide flexibility to defer other emission reductions until later in the 2020 to 2029 period. The second suggested approach involves phasing in building block 2 over time, just as building blocks 3 and 4 are phased in over time in the June proposal.

- In the NODA, EPA discusses these approaches that stakeholders have offered and explains how EPA's June 2014 proposal requests comment on the option of early reductions. EPA discusses and is requesting comment both on the concept of phasing in the reductions required under building blocks 1 and 2 over time and possible approaches to effectuating such a phase-in.

Establishing Building Blocks

- The NODA focuses on two issues raised by multiple stakeholders, including states, about certain aspects of the building block methodology: 1) the treatment of natural gas in building block 2 and 2) the treatment of renewable energy in building block 3.
- Stakeholders have suggested that the EPA's Best System of Emission Reduction (BSER) determination should recognize that there are additional opportunities in the current market to use natural gas beyond those EPA included in the June proposal.
- Stakeholders have suggested a regional approach to establishing renewable energy targets.
- In this NODA, the EPA discusses these approaches that stakeholders have suggested and requests comment on ways that building block 2 could include new natural gas combined cycle (NGCC) units and natural gas co-firing in existing coal-fired boilers and ways that state-level, renewable energy targets could be set based on regional availability of renewable energy.

Calculating State-Specific CO_2 Goals

- The NODA addresses two issues raised by some stakeholders, including states, regarding the calculation of state-specific CO2 goals. Some stakeholders have offered that the formula for calculating each state's goal is not consistent. Stakeholders have also raised questions about the use of power plant emissions data for the single year, 2012.
- In the NODA, EPA discusses these issues and requests comment on alternative approaches suggested by stakeholders for the goal-setting equation. In addition, EPA is making available data for the years 2010 and 2011 using the eGRID methodology and requesting comment on alternative uses of data sets in calculating the goals.
- The 2010 and 2011 datasets will be posted to the docket and will be available on EPA's Clean Power Plan website at http://go.usa.gov/G6Yj.

Background on Building Block Methodology

- Each state will choose how to meet the goal through whatever combination of measures reflects its particular circumstances and policy objectives. A state does not have to put in place the same mix of strategies that EPA used to set the goal, and there are no specific requirements for specific plants.
- EPA proposed the state goal approach under Section 111(d) of the Clean Air Act, which requires that EPA identify the "best system of emission reduction … adequately demonstrated" (BSER) that is available to limit pollution – and set guidelines for states to achieve reductions that reflect that system. States then make plans to get the reductions that would result from that system.
- In the June 2014 proposal, EPA identified four sets of measures – or "building blocks" – that are in use today by many states and utilities and that together make up the best system for reducing carbon pollution.
- These building blocks recognize the interconnected nature of the power sector – looking broadly to find cost-effective and proven solutions.
- EPA analyzed historical data about emissions and the power sector to create a consistent national formula for reductions that reflects the building blocks. The formula applies the building blocks to each state's specific information, yielding a carbon intensity rate for each state.

Building Block	Value Allocated in Goal-Setting Formula
Make fossil fuel power plants more efficient - Improve equipment and processes to get as much electricity as possible from each unit of fuel - Using less fossil fuel to create the same amount of electricity means less carbon pollution.	Average heat rate improvement of 6% for coal steam electric generating units (EGUs)
Use low-emitting power sources more - Using lower-emitting power plants more frequently to meet demand means less carbon pollution.	Dispatch to existing and under-construction natural gas combined cycle (NGCC) units to up to 70% capacity factor
Use more zero- and low-emitting power sources - Expand renewable generating capacity, which is consistent with current trends. - Using more renewable sources, including solar and wind, and low-emitting nuclear facilities, means less carbon pollution.	Dispatch to new clean generation, including new nuclear generation under construction, moderate deployment of new renewable generation, and continued use of existing nuclear generation
Use electricity more efficiently - Reducing demand on power plants is a proven, low-cost way to reduce emissions, which will save consumers and businesses money and mean less carbon pollution.	Increase demand-side energy efficiency to 1.5% annually

ED_001607_00000065-00003

How to Comment

- This NODA provides additional information pertinent to the proposed Clean Power Plan published on June 18, 2014. Comments on that proposal, including this NODA are due no later than December 1, 2014.

- Comments on the NODA should be identified by Docket ID No. EPA-HQ-OAR-2013-0602. All comments may be submitted by one of the following methods:
  - **Federal eRulemaking Portal:** http://www.regulations.gov. Follow the online instructions for submitting comments.
  - **Email:** A-and-R-Docket@epa.gov. Include docket ID No. EPA–HQ–OAR–2013-0602 in the subject line of the message.
  - **Fax:** (202) 566–9744.
  - **Mail:** Environmental Protection Agency, EPA Docket Center (EPA/DC), Mailcode 28221T, Attention Docket ID No. OAR–2013-0602, 1200 Pennsylvania Avenue, NW, Washington, DC 20460.
  - **Hand/Courier Delivery:** EPA Docket Center, Room 3334, EPA WJC West Building, 1301 Constitution Avenue, NW, Washington, DC 20004. Such deliveries are only accepted during the Docket's normal hours of operation, and special arrangements should be made for deliveries of boxed information.

ED_001607_00000065-00004