EPA FACT SHEET: Clean Power Plan

# SUPPLEMENTAL PROPOSAL TO LIMIT CARBON POLLUTION FROM POWER PLANTS IN INDIAN COUNTRY AND U.S. TERRITORIES

**Power plants are the largest stationary source of carbon pollution in the United States – about one-third of all greenhouse gas pollution comes from the generation of electricity by power plants. This proposal adds goals for Indian country and territories to the Clean Power Plan, which is designed to maintain an affordable, reliable energy system, while cutting this harmful pollution and protecting our health and environment now and for future generations.**

- On October 28, 2014, EPA issued a supplemental proposal to the Clean Power Plan to address carbon pollution from affected power plants in Indian Country and U.S. territories.
- Like the Clean Power Plan proposal for states, this supplemental proposal sets area-specific goals for Indian country and territories and provides options for meeting those goals in a flexible manner that accommodates a diverse range of approaches. EPA is following through on its June 2014 commitment to issue a supplemental proposal to address these sources.
- This supplemental proposal relies on the approach used in the June 2014 Clean Power Plan and is based on new information and data provided through additional outreach to covered facilities and Tribal and Territorial governments.
- The supplemental proposal has two main elements: 1) emission rate-based goals specific to each area of Indian country and U.S. territory that has affected electric generating units (EGUs); and 2) guidelines for the development, submission and implementation of plans to achieve the goals.
    - The goal is a target for areas to meet by 2030, while starting to make meaningful progress toward reductions by 2020. EPA is proposing a two-part goal structure: an "interim goal" for an area to meet on average over the ten-year period from 2020-2029 and a "final goal" for an area to meet at the end of that period in 2030 and thereafter.
    - EPA is not prescribing a specific set of measures for an area to put in a plan, and a tribe with jurisdiction over an affected power plant in its area has the opportunity, but not the obligation, to establish a plan for its area of Indian country.
- For Indian country, EPA is proposing goals for affected power plants within the Navajo Nation, the Ute Tribe of the Uintah and Ouray Reservation, and the Fort Mojave Tribe.
- For territories, EPA is proposing goals for Puerto Rico and Guam only. The EPA is not proposing goals for American Samoa, Northern Mariana Islands, or the U.S. Virgin Islands.
    - EPA is not aware of any affected sources in American Samoa or the Northern Mariana Islands so we are not proposing goals for these areas.



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- EPA is aware of two potentially affected sources in the U.S. Virgin Islands, however the sources have not operated for several years and are not operating now so the agency is not proposing a goal for this territory.

- The supplemental proposal has climate benefits worth an estimated $170 million per year in 2030 and a cost savings of $350 million. EPA projects cost savings from energy efficiency programs, heat rate improvements at affected plants, and changes in fuel use. The net benefits of this proposal are $520 million.

- The EPA intends to take final action on this supplemental proposal in conjunction with final action on the proposed Clean Power Plan for states.

**Applied Same Building Blocks to Set Goals**

- This supplemental proposal relies on, and builds upon, the Clean Power Plan proposed in June 2014.
- EPA is proposing the area-specific 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 to achieve reductions that reflect that system.
- EPA is proposing area-specific goals based on the same four sets of measures – or "building blocks" – identified in the proposed Clean Power Plan. A list of the proposed goals is on the web at http://go.usa.gov/G6re.

| Building Block | Value Allocated in Goal-Setting Formula |
|---|---|
| **Make fossil fuel power plants more efficient**<br>- Improve equipment and processes to get as much electricity as possible from each unit of fuel<br>- Using less fossil fuel to create the same amount of electricity means less carbon pollution. | Average heat rate improvement of 6% for coal steam EGUs |
| **Use low-emitting power sources more**<br>- 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**<br>- Expand renewable generating capacity, which is consistent with current trends.<br>- Using more renewable sources, including solar and wind, and low-emitting nuclear facilities, means less carbon pollution. | Dispatch to new clean generation, and moderate deployment of new renewable generation |
| **Use electricity more efficiently**<br>- 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 |



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- EPA analyzed data about emissions and the power sector to create a consistent formula for reductions that reflects the building blocks, as they can be applied to sources in Indian country and U.S. territories. These measures are in use across the power sector and together make up the BSER for carbon pollution.
- The formula applies the building blocks to each area's specific information, yielding a carbon intensity rate – or pollution to power ratio – for the area of Indian country or territory.
- EPA is also proposing to give these areas an option to translate the rate-based goal to a mass-based equivalent if they choose.

**Indian Country**

- The supplemental proposal addresses four sources in Indian country:
    - South Point Energy Center, in Fort Mojave Indian country geographically located within Arizona;
    - Navajo Generating Station, in Navajo Indian country geographically located within Arizona;
    - Four Corners Power Plant, in Navajo Indian country geographically located within New Mexico; and
    - Bonanza Power Plant, in Ute Indian country geographically located within Utah.
- The EPA held consultations with all three tribes that have affected power plants on their lands, as well as other tribes that requested consultation.
- Under the Tribal Authority Rule (TAR) adopted by EPA to address implementation of Clean Air Act program in Indian Country, tribes may seek authority to implement 111(d) similar to a state. A tribe with jurisdiction over an affected power plant in its area has the opportunity, but not the obligation, to establish a plan for its area of Indian country.
- The EPA will work with eligible tribes to help them develop plans if they choose. Tribes that opt to develop plans will have the same flexibility states do to choose how to meet their proposed goals, reflecting their particular circumstances and policy objectives. EPA is also taking comment on how all Tribes, even those without affected power plants, can participate in plans put together by the states.
- If a tribe does not seek and obtain the authority from the EPA to establish a plan, the EPA has the responsibility to establish CAA section 111(d) plans for areas of Indian country where affected sources are located if it determines that such a plan is necessary or appropriate.

**Territories**

- The supplemental proposal addresses six affected sources in Puerto Rico and two affected sources in Guam.



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- EPA is proposing that the territories have the same guidelines and timing for implementation plans as proposed for states in the Clean Power Plan.
    - Territories will have the same flexibility states do to choose how to meet their proposed goals, reflecting their particular circumstances and policy objectives.
- Territories – like states -- must submit initial or complete plans by June 30, 2016, with the option to use a two-step process for submitting final plans if more time is needed.
    - EPA is proposing to provide territories with additional time to submit complete plans if justified and if territories provide specific information.
        - Individual territory plans would be eligible for a one-year extension to June 30, 2017
        - Multi-area plans would be eligible for a two-year extension to June 30, 2018, and would need to submit a progress report in the interim by June 30, 2017
    - If a territory needs more time to submit a complete plan, a territory needs to make an initial submittal by June 30, 2016, in lieu of a complete plan.
- Once a territory submits a complete plan, EPA will review the plan and make a determination, within 12 months, to approve or disapprove the plan through a notice-and-comment rulemaking process.
- Under the proposal territories would also have a flexible timeline—up to fifteen years after the Clean Power Plan is final —for all emission reduction measures to be fully implemented in 2030.
    - This implementation period recognizes that investments in infrastructure can take time to put in place and provides territories with the time needed to achieve the emission reductions.

**How to Comment**

- EPA will accept comment on the supplemental proposal through December 19, 2014, and will hold a public hearing on November 19, 2014, in Phoenix, Arizona.
- Comments on the supplemental proposal 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



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the Docket's normal hours of operation, and special arrangements should be made for deliveries of boxed information.



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