The EPA Administrator, Gina McCarthy, signed the following notice on October 28, 2014, and EPA is submitting it for publication in the Federal Register (FR). While we have taken steps to ensure the accuracy of this Internet version of the rule, it is not the official version of the rule for purposes of compliance. Please refer to the official version in a forthcoming FR publication, which will appear on the Government Printing Office's FDSys website (http://gpo.gov/fdsys/search/home.action) and on Regulations.gov (http://www.regulations.gov) in Docket No. EPA-HQ-2013-0602. Once the official version of this document is published in the FR, this version will be removed from the Internet and replaced with a link to the official version.

6560-50-P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 60

[EPA-HQ-OAR-2013-0602, FRL-9918-54-OAR]

RIN 2060-AR33

Carbon Pollution Emission Guidelines for Existing Stationary Sources: EGUs in Indian Country and U.S. Territories; Multi-jurisdictional Partnerships

AGENCY: Environmental Protection Agency.

ACTION: Supplemental proposed rulemaking.

SUMMARY: On June 18, 2014, the Environmental Protection Agency (EPA) proposed emission guidelines for states to follow in developing plans to address greenhouse gas (GHG) emissions from existing fossil fuel-fired electric generating units (EGUs). In this supplemental action, the EPA is proposing emission guidelines for U.S. territories and areas of Indian country with existing fossil fuel-fired EGUs. Specifically, the EPA is proposing rate-based goals for carbon dioxide (CO_2) emissions for U.S. territories and areas of Indian country with existing fossil fuel-fired EGUs, as well as guidelines for plans to achieve those goals. The EPA is also soliciting comment on authorizing jurisdictions (including any states, territories and areas of Indian country) without existing fossil fuel-fired EGUs

subject to the proposed emission guidelines to partner with jurisdictions (including any states) that do have existing fossil-fuel fired EGUs subject to the proposed emission guidelines in developing multi-jurisdictional plans. The EPA is also soliciting comment on the treatment of renewable energy, demand-side energy efficiency and other new low- or non-emitting electricity generation across international boundaries in a state plan. This supplemental proposed rule would continue progress already underway to reduce CO_2 emissions from existing fossil fuel-fired power plants in the United States.

DATES: Comments on the supplemental proposed rule. Comments must be received on or before December 19, 2014.

Comments on the information collection request. Under the Paperwork Reduction Act (PRA), since the Office of Management and Budget (OMB) is required to make a decision concerning the information collection request between 30 and 60 days after **[insert the date of publication in the Federal Register]**, a comment to the OMB is best assured of having its full effect if the OMB receives it by **[insert the date 30 days after the date of publication in the Federal Register]**.

Public Hearing. A public hearing will be held to accept oral comment on the supplemental proposed rule on November 19, 2014, at the Phoenix Convention Center and Venues, 100 N. 3rd St.,

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Phoenix, Arizona. The hearing will begin at 9:00 a.m. (Mountain Standard Time) and will conclude at 8:00 p.m. (Mountain Standard Time). There will be a lunch break from 12:00 p.m. to 1:00 p.m. and a dinner break from 5:00 p.m. to 6:00 p.m. To register for the hearing please use the online registration form available at: http://www2.epa.gov/carbon-pollution-standards/clean-power-plan-proposed-rule. For questions regarding registration, please contact Ms. Pamela Garrett at (919)-541-7966. The last day to pre-register to speak at the hearing will be November 14, 2014. Additionally, requests to speak will be taken the day of the hearing at the hearing registration desk, although preferences on speaking times may not be able to be fulfilled. If you require the service of a translator or special accommodations such as audio description, we ask that you pre-register for the hearing by November 14, 2014, as we may not be able to arrange such accommodations without advance notice. Please note that any updates made to any aspect of the hearing will be posted online at: http://www2.epa.gov/carbon-pollution-standards/clean-power-plan-proposed-rule. While the EPA expects the hearing to go forward as set forth above, we ask that you monitor our Web site or contact Pamela Garrett at (919)-541-7966 to determine if there are any updates to the information on the hearing. The EPA does not intend to publish a notice in the **Federal Register**

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announcing any such updates. The hearing will provide interested parties the opportunity to present data, views or arguments concerning the proposed action. The EPA will make every effort to accommodate all speakers who arrive and register. The EPA may ask clarifying questions during the oral presentations, but will not respond to the presentations at that time. Written statements and supporting information submitted during the comment period will be considered with the same weight as oral comments and supporting information presented at the public hearing. Verbatim transcripts of the hearing and written statements will be included in the docket for the rulemaking. The EPA plans for the hearing to run on schedule; however, due to onsite schedule fluctuations, actual speaking times may shift slightly.

ADDRESSES: Comments. Submit your comments, identified by Docket ID No. EPA-HQ-OAR-2013-0602, 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.
- Facsimile: (202) 566-9744. Include docket ID No. EPA-HQ-OAR-2013-0602 on the cover page.
- Mail: Environmental Protection Agency, EPA Docket Center

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(EPA/DC), Mail code 28221T, Attn: Docket ID No. EPA-HQ-OAR-2013-0602, 1200 Pennsylvania Ave., NW, Washington, DC 20460. In addition, please mail a copy of your comments on the information collection provisions to the Office of Information and Regulatory Affairs, OMB, Attn: Desk Officer for the EPA, 725 17th St. NW, Washington, DC 20503.

- Hand/Courier Delivery: EPA Docket Center (EPA/DC), Room 3334, EPA WJC West Building, 1301 Constitution Ave., NW, Washington, DC, 20004, Attn: Docket ID No. EPA-HQ-OAR-2013-0602. Such deliveries are accepted only during the Docket Center's normal hours of operation (8:30 a.m. to 4:30 p.m., Monday through Friday, excluding federal holidays), and special arrangements should be made for deliveries of boxed information.

Instructions: All submissions must include the agency name and Docket ID No. (EPA-HQ-OAR-2013-0602). The EPA's policy is to include all comments received without change, including any personal information provided, in the public docket, available online at http://www.regulations.gov, unless the comment includes information claimed to be Confidential Business Information (CBI) or other information whose disclosure is restricted by statute. Do not submit information that you consider to be CBI or otherwise protected through

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http://www.regulations.gov or email. Send or deliver information identified as CBI only to the following address: Mr. Roberto Morales, OAQPS Document Control Officer (C404-02), Office of Air Quality Planning and Standards, U.S. EPA, Research Triangle Park, North Carolina 27711, Attention Docket ID No. EPA-HQ-OAR-2013-0602. Clearly mark the part or all of the information that you claim to be CBI. For CBI information on a disk or CD-ROM that you mail to the EPA, mark the outside of the disk or CD-ROM as CBI and then identify electronically within the disk or CD-ROM the specific information you claim as CBI. In addition to one complete version of the comment that includes information claimed as CBI, you must submit a copy of the comment that does not contain the information claimed as CBI for inclusion in the public docket. Information so marked will not be disclosed except in accordance with procedures set forth in 40 CFR part 2.

The EPA requests that you also submit a separate copy of your comments to the contact person identified below (see **FOR FURTHER INFORMATION CONTACT)**. If the comment includes information you consider to be CBI or otherwise protected, you should send a copy of the comment that does not contain the information claimed as CBI or otherwise protected.

The www.regulations.gov Web site is an "anonymous access" system, which means the EPA will not know your identity or

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contact information unless you provide it in the body of your comment. If you send an email comment directly to the EPA without going through http://www.regulations.gov, your email address will be automatically captured and included as part of the comment that is placed in the public docket and made available on the Internet. If you submit an electronic comment, the EPA recommends that you include your name and other contact information in the body of your comment and with any disk or CD-ROM you submit. If the EPA cannot read your comment due to technical difficulties and cannot contact you for clarification, the EPA may not be able to consider your comment. Electronic files should avoid the use of special characters, any form of encryption and be free of any defects or viruses.

Docket: All documents in the docket are listed in the http://www.regulations.gov index. Although listed in the index, some information is not publicly available (e.g., CBI or other information whose disclosure is restricted by statute). Certain other material, such as copyrighted material, will be publicly available only in hard copy. Publicly available docket materials are available either electronically in http://www.regulations.gov or in hard copy at the EPA Docket Center, EPA WJC West Building, Room 3334, 1301 Constitution Ave., NW, Washington, DC. The Public Reading Room is open from

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8:30 a.m. to 4:30 p.m., Monday through Friday, excluding federal holidays. The telephone number for the Public Reading Room is (202) 566-1744, and the telephone number for the Air Docket is (202) 566-1742. Visit the EPA Docket Center homepage at http://www.epa.gov/epahome/dockets.htm for additional information about the EPA's public docket.

In addition to being available in the docket, an electronic copy of this proposed rule will be available on the World Wide Web (WWW). Following signature, a copy of this proposed rule will be posted at the following address: http://www2.epa.gov/cleanpowerplan/.

FOR FURTHER INFORMATION CONTACT: Ms. Melanie King, Energy Strategies Group, Sector Policies and Programs Division (D243-01), Environmental Protection Agency, Research Triangle Park, North Carolina 27711; telephone number: (919) 541-2469; facsimile number: (919) 541-5450; email address: king.melanie@epa.gov.

SUPPLEMENTARY INFORMATION: Acronyms. A number of acronyms and chemical symbols are used in this preamble. While this may not be an exhaustive list, to ease the reading of this preamble and for reference purposes, the following terms and acronyms are defined as follows:

BART	Best Available Retrofit Technology
BSER	Best System of Emission Reduction

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CAA	Clean Air Act
CBI	Confidential Business Information
CFR	Code of Federal Regulations
CO_2	Carbon Dioxide
EGU	Electric Generating Unit
EIA	Energy Information Administration
EPA	Environmental Protection Agency
FR	Federal Register
GHG	Greenhouse Gas
HAP	Hazardous Air Pollutant
HCl	Hydrochloric Acid
Hg	Mercury
ICR	Information Collection Request
LNG	Liquefied Natural Gas
MHA	Mandan, Hidatsa and Arikara
MW	Megawatt
MWh	Megawatt-hour
NAAQS	National Ambient Air Quality Standards
NAICS	North American Industry Classification System
NGCC	Natural Gas Combined Cycle
NOx	Nitrogen Oxides
OMB	Office of Management and Budget
PM	Particulate Matter
$PM_{2.5}$	Fine Particulate Matter
PRA	Paperwork Reduction Act
PREPA	Puerto Rico Electric Power Authority
RE	Renewable Energy
RFA	Regulatory Flexibility Act
RIA	Regulatory Impact Analysis
SCC	Social Cost of Carbon
SO_2	Sulfur Dioxide
TAR	Tribal Authority Rule
TAS	Treatment in the same manner as a State
TSD	Technical Support Document
UMRA	Unfunded Mandates Reform Act of 1995

Organization of This Document. The information presented in this preamble is organized as follows:

I. General Information
A. Executive Summary
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A. Carbon Pollution Emission Guidelines Proposal
B. Implications for U.S. Territories

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C. Implications for Areas of Indian Country
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I. General Information

A. Executive Summary

1. Purpose of the Regulatory Action

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Under the authority of Clean Air Act (CAA) section 111(d), the EPA is proposing emission guidelines to address GHG emissions from existing fossil fuel-fired EGUs located in U.S. territories and areas of Indian country. The EPA is proposing rate-based goals for CO_2[1] emissions in U.S. territories and areas of Indian country with existing fossil fuel-fired EGUs that meet applicability requirements ("affected EGUs"),[2] as well as guidelines for plans to achieve those goals. This rule, as proposed, would continue progress already underway to reduce CO_2 emissions from existing fossil fuel-fired power plants in the United States. This action is a supplemental proposal to the June 18, 2014, proposed carbon pollution emission guidelines for states to follow in developing plans to address GHG emissions from existing fossil fuel-fired EGUs.[3] This action is based on the same analytic framework as the June 18, 2014, proposal for existing sources, with minor adjustments to address data limitations and other circumstances unique to Indian country

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[1] In the June 18, 2014, proposal, the EPA noted that the primary GHG emitted by fossil fuel-fired EGUs is CO_2. Therefore, both that proposal and this supplemental proposal focus on reductions of CO_2 emissions and impose control requirements on only CO_2 emissions.

[2] In this preamble, the terms "existing fossil fuel-fired EGUs," "existing sources," "existing fossil fuel-fired power plants," "affected fossil fuel-fired EGUs" and the like generally refer to affected EGUs.

[3] 79 FR 34830.

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and/or territories.[4] This preamble presumes familiarity with that June 18, 2014, proposal.[5]

2. Summary of the Major Provisions of the Regulatory Action

The proposal has two main elements: (1) Emission rate-based CO_2 goals specific to each U.S. territory and area of Indian country that has affected EGUs; and (2) guidelines for the development, submission and implementation of plans to achieve the goals. The EPA is aware of three areas of Indian country with affected EGUs: lands of the Navajo Nation, lands of the Ute Tribe of the Uintah and Ouray Reservation and lands of the Fort Mojave Tribe. The EPA's information is that there are two U.S. territories that have affected EGUs: Puerto Rico and Guam.

To set the proposed area-specific CO_2 goals, the EPA generally applied the same approach to determining the "Best System of Emission Reduction" as called for in CAA section 111(d) used in the June 18, 2014, proposal for establishing CO_2 goals for states. This approach, which relies on four groups of

[4] As noted below, the EPA issued a second proposal on June 18, 2014, under CAA section 111, which proposed standards of performance for CO_2 emissions from modified or reconstructed fossil fuel-fired EGUs. 79 FR 34960. Unless otherwise indicated, all references in this preamble to the June 18, 2014, proposal refer to the proposal for existing sources.

[5] The EPA has received numerous comments on the June 18, 2014, proposal. This supplemental proposal is consistent with the analytic framework used in the June 18, 2014, proposal and does not reflect any type of response to the comments that the EPA has received to date on that proposal.

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emission reduction measures that the EPA refers to as "building blocks," includes improvements in efficiency at carbon-intensive power plants; programs that enhance the dispatch priority of, and spur private investments in, low emitting and renewable power sources; and programs that help homes and businesses use electricity more efficiently. As explained in the June 18, 2014, proposal for existing sources, these building blocks are based on practical and affordable strategies that are already being used to lower carbon pollution from the power sector. In addition, in calculating each CO_2 goal, the EPA took into consideration each area's fuel mix, its electricity market and other factors that are relevant to application of the four building blocks. Thus, each goal reflects the unique conditions for each U.S. territory or area of Indian country.

For U.S. territories that contain affected EGUs, while this proposal lays out jurisdiction-specific CO_2 goals, it does not prescribe how the territory should meet its goal. CAA section 111(d) creates a partnership between the EPA and the U.S. territories (as well as states) under which the EPA sets these goals and the territories take the lead on meeting them by creating plans that are consistent with the EPA guidelines. Each territory will have the flexibility to design a program to meet its goal in a

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manner that reflects its particular circumstances and energy and environmental policy objectives. Each territory can do so alone or can collaborate with other jurisdictions, including states, on multi-jurisdictional[6] plans that may provide additional opportunities for cost savings and flexibility. To facilitate the planning process, this proposal lays out guidelines for the development and implementation of plans.

For areas of Indian country that contain affected EGUs, this proposal also lays out specific CO_2 goals, without prescribing how each area should meet its goal. A tribe with jurisdiction over the affected EGUs in its area has the opportunity, but not the obligation, to establish a plan for its area of Indian country. Each tribe can do so alone or can collaborate with other jurisdictions, including states and territories, on multi-jurisdictional plans that may provide additional opportunities for cost savings and flexibility. If a tribe does not seek and obtain the authority to establish a plan, the EPA is responsible for establishing a plan if it determines that a

[6] The discussion of CAA section 111(d) plans in the June 18, 2014, proposal referred to "multi-state" plans. In this supplemental proposal, the EPA uses the terminology "multi-jurisdictional" plans to account for situations where plans may include tribes in addition to states.

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plan is necessary or appropriate. At this time, the EPA is not including a proposal for whether it is necessary or appropriate to establish a plan for any area of Indian country, and is not proposing a federal plan for any area of Indian country.

3. Costs and Benefits

Actions taken to comply with the proposed guidelines set out in this supplemental proposal will reduce emissions of CO_2 and other air pollutants, including sulfur dioxide (SO_2) and nitrogen oxides (NOx), from the electric power industry, specifically from affected EGUs in Guam and Puerto Rico. The costs and benefits of these compliance actions are discussed below. As discussed in more detail in section V of this supplemental proposal, the EPA does not expect any additional costs or benefits associated with compliance for areas of Indian country with affected EGUs; one area is expected to meet its proposed goal through compliance with other regulations, and the costs and benefits for the other areas were already accounted for in the June 18, 2014, proposal. The U.S. territories of Guam and Puerto Rico will make the ultimate determination as to how their proposed emission guidelines are implemented in their jurisdictions. Thus, all costs and benefits reported

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for this action are illustrative estimates. The illustrative costs and benefits are based upon compliance approaches that reflect a range of measures consisting of improved operations at EGUs, increased dispatching of lower-emitting EGUs and zero-emitting energy sources and increasing levels of end-use energy efficiency.

For Guam and Puerto Rico, the EPA estimates that in 2020, the illustrative compliance approach for Option 1 - Approach A[7] will yield monetized climate benefits of approximately $73 million (3 percent model average, 2011$), as shown in Table 1. The illustrative annual compliance costs and monitoring and reporting costs are a savings of approximately $140 million (2011$) in 2020. The quantified 2020 net benefits (the difference between monetized benefits and costs) are $210 million (2011$) using a 3 percent discount rate. In 2030, as shown in Table 1, the illustrative compliance approach for Option 1 - Approach A in Guam and Puerto Rico will yield monetized climate benefits of approximately $170 million (3 percent model average, 2011$). The illustrative annual compliance costs and monitoring and reporting costs in 2030 are

[7] Option 1 represents compliance with the goals calculated using the procedure outlined in section III.B of this supplemental proposal. As explained in more detail in section III.B, Approach A mirrors the proposed methodology from the June 18, 2014, proposal for building block 3.

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a savings of $350 million, including reduced fuel expenditures from energy efficiency programs and re-dispatch. The quantified 2030 net benefits are $520 million (2011$, 3 percent discount rate).

For Option 2 - Approach A,[8] the EPA estimates that in 2020, the illustrative compliance approach for EGUs in Guam and Puerto Rico will yield monetized climate benefits of approximately $68 million (3 percent model average, 2011$), as shown in Table 2. The illustrative annual compliance costs and monitoring and reporting costs are a savings of approximately $130 million (2011$) in 2020. The quantified 2020 net benefits (the difference between monetized benefits and costs) are $200 million (2011$) using a 3 percent discount rate. In 2025, as shown in Table 2, the illustrative compliance approach for Option 2 - Approach A in Guam and Puerto Rico will yield monetized climate benefits of approximately $99 million (3 percent model average, 2011$). The illustrative annual compliance costs and monitoring and reporting costs in 2025 are a savings of $190 million, including reduced fuel expenditures from energy efficiency programs and re-dispatch. The quantified

[8] Option 2 represents compliance with the goals calculated using the procedure outlined in section III.C of this supplemental proposal, reflecting less stringent application of the building blocks and a shorter implementation period.

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2025 net benefits are $290 million (2011$, 3 percent discount rate).

For Guam and Puerto Rico, the EPA estimates that in 2020, the illustrative compliance approach for Option 1 - Approach B[9] will yield monetized climate benefits of approximately $77 million (3 percent model average, 2011$), as shown in Table 3. The illustrative annual compliance costs and monitoring and reporting costs are a savings of approximately $140 million (2011$) in 2020. The quantified 2020 net benefits (the difference between monetized benefits and costs) are $220 million (2011$) using a 3 percent discount rate. In 2030, as shown in Table 3, the illustrative compliance approach for Option 1 - Approach B in Guam and Puerto Rico will yield monetized climate benefits of approximately $180 million (3 percent model average, 2011$). The illustrative annual compliance costs and monitoring and reporting costs in 2030 are a savings of $360 million, including reduced fuel expenditures from energy efficiency programs and re-dispatch. The quantified 2030 net benefits are $540 million (2011$, 3 percent discount rate).

[9] Option 1 represents compliance with the goals calculated using the procedure outlined in section III.B of this supplemental proposal. As explained in more detail in section III.B, Approach B includes an adjustment to the proposed methodology from the June 18, 2014, proposal for building block 3.

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For Option 2 - Approach B,[10] the EPA estimates that in 2020, the illustrative compliance approach for Guam and Puerto Rico will yield monetized climate benefits of approximately $73 million (3 percent model average, 2011$), as shown in Table 4. The illustrative annual compliance costs and monitoring and reporting costs are a savings of approximately $130 million (2011$) in 2020. The quantified 2020 net benefits (the difference between monetized benefits and costs) are $210 million (2011$) using a 3 percent discount rate. In 2025, as shown in Table 4, the illustrative compliance approach for Option 2 - Approach B in Guam and Puerto Rico will yield monetized climate benefits of approximately $110 million (3 percent model average, 2011$). The illustrative annual compliance costs and monitoring and reporting costs in 2025 are a savings of $200 million, including reduced fuel expenditures from energy efficiency programs and re-dispatch. The quantified 2025 net benefits are $300 million (2011$, 3 percent discount rate).

For all options and approaches, the proposed guidelines would reduce emissions of precursor pollutants (e.g., SO_2, NOx and directly emitted particles) in the territories, which in

[10] Option 2 represents compliance with the goals calculated using the procedure outlined in section III.C of this supplemental proposal, reflecting less stringent application of the building blocks and a shorter implementation period.

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turn would lower ambient concentrations of fine particulate ($PM_{2.5}$) and ozone (O_3). Apart from the climate benefits described above, there will also likely be significant health co-benefits association with the projected reductions of SO_2 and NO_x emissions in Guam and Puerto Rico. However, the EPA is unable to quantify these health co-benefits because the benefit-per-ton values the EPA typically uses for this purpose are only appropriate for areas within the continental United States. As is described in the June 18, 2014, proposal, reducing exposure to $PM_{2.5}$ is associated with significant human health benefits, including avoiding premature mortality for adults and infants, cardiovascular morbidities such as heart attacks, hospital admissions and respiratory morbidities such as asthma attacks, acute bronchitis, hospital and emergency department visits, work loss days, restricted activity days and respiratory symptoms. Reducing exposure to O_3 is also associated with significant human health benefits, including avoiding mortality and respiratory morbidity such as fewer asthma attacks, hospital and emergency room visits and school loss days.

Table 1. Summary of the Monetized Benefits, Compliance Costs and Net Benefits for the Proposed Guidelines for Guam and Puerto Rico – Option 1 – Approach A[a]
[Millions of 2011$]

	2020	2030
Proposed Guidelines Illustrative Compliance Approach		

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Climate Benefits [b]	$73	$170
Annualized Capital, Energy Efficiency and Monitoring, Reporting, & Recordkeeping Costs	$24	$190
Change in Fuel Expenditure	-160	-$540
Total Compliance Costs [c]	-$140	-$350
Net Monetized Benefits [d]	$210	$520
Non-monetized Benefits	Health benefits of reductions in SO_2, NO_2, $PM_{2.5}$ and O_3. Reductions in hazardous air pollutants (HAP) such as mercury (Hg) and hydrochloric acid (HCl). Ecosystem effects. Visibility impairment.	

[a] All estimates are rounded to two significant figures, so figures may not sum.

[b] The climate benefit estimate in this summary table reflects global impacts from CO_2 emission changes and does not account for changes in non-CO_2 GHG emissions. Also, different discount rates are applied to the social cost of carbon (SCC) than to the other estimates because CO_2 emissions are long-lived and subsequent damages occur over many years. The benefit estimates in this table are based on the average SCC estimated for a 3 percent discount rate. However, the EPA emphasizes the importance and value of considering the full range of SCC values. As shown in the regulatory impact analysis (RIA), climate benefits are also estimated using the other three SCC estimates (model average at 2.5 percent discount rate, 3 percent and 5 percent; 95th percentile at 3 percent). The SCC estimates are year-specific and increase over time.

[c] Total costs include capital costs, monitoring, recordkeeping, and reporting costs, demand side energy efficiency program and participant costs, and changes in fuel expenditures. Capital costs are annualized at a capital charge rate of 14.29 percent. Energy efficiency costs are calculated at a 3 percent discount rate.

[d] The estimates of net benefits in this summary table are calculated using the global SCC at a 3 percent discount rate

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(model average). The RIA includes combined climate and health estimates based on these additional discount rates.

Table 2. Summary of the Monetized Benefits, Compliance Costs and Net Benefits for the Proposed Guidelines for Guam and Puerto Rico – Option 2 – Approach A[a]
[Millions of 2011$]

	2020	2025
Proposed Guidelines Illustrative Compliance Approach		
Climate Benefits [b]	$68	$99
Annualized Capital, Energy Efficiency and Monitoring, Reporting, & Recordkeeping Costs	$19	$78
Change in Fuel Expenditure	-$150	-270
Total Compliance Costs [c]	-$130	-$190
Net Monetized Benefits [d]	$200	$290
Non-monetized Benefits	Health benefits of reductions in SO_2, NO_2, $PM_{2.5}$ and O_3. Reductions in HAP such as Hg and HCl. Ecosystem effects. Visibility impairment.	

[a] All estimates are rounded to two significant figures, so figures may not sum.
[b] The climate benefit estimate in this summary table reflects global impacts from CO_2 emission changes and does not account for changes in non-CO_2 GHG emissions. Also, different discount rates are applied to SCC than to the other estimates because CO_2 emissions are long-lived and subsequent damages occur over many years. The benefit estimates in this table are based on the average SCC estimated for a 3 percent discount rate. However the EPA emphasizes the importance and value of considering the full range of SCC values. As shown in the RIA, climate benefits are also estimated using the other three SCC estimates (model average at 2.5 percent discount rate, 3 percent and 5 percent; 95th percentile at 3 percent). The SCC estimates are year-specific and increase over time.
[c] Total costs include capital costs, monitoring, recordkeeping, and reporting costs, demand side energy efficiency program and participant costs, and changes in fuel expenditures. Capital

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costs are annualized at a capital charge rate of 14.29 percent. Energy efficiency costs are calculated at a 3 percent discount rate.

[d] The estimates of net benefits in this summary table are calculated using the global SCC at a 3 percent discount rate (model average). The RIA includes combined climate and health estimates based on these additional discount rates.

Table 3. Summary of the Monetized Benefits, Compliance Costs and Net Benefits for the Proposed Guidelines for Guam and Puerto Rico – Option 1 – Approach B[a]
[Millions of 2011$]

	2020	2030
Proposed Guidelines Illustrative Compliance Approach		
Climate Benefits [b]	$77	$180
Annualized Capital, Energy Efficiency and Monitoring, Reporting, & Recordkeeping Costs	$38	$220
Change in Fuel Expenditure	-$180	-$580
Total Compliance Costs [c]	-$140	-$360
Net Monetized Benefits [d]	$220	$540
Non-monetized Benefits	Health benefits of reductions in SO_2, NO_2, $PM_{2.5}$ and O_3. Reductions in hazardous air pollutants (HAP) such as mercury (Hg) and hydrochloric acid (HCl). Ecosystem effects. Visibility impairment.	

[a] All estimates are rounded to two significant figures, so figures may not sum.

[b] The climate benefit estimate in this summary table reflects global impacts from CO_2 emission changes and does not account for changes in non-CO_2 GHG emissions. Also, different discount rates are applied to the SCC than to the other estimates because CO_2 emissions are long-lived and subsequent damages occur over many years. The benefit estimates in this table are based on the average SCC estimated for a 3 percent discount rate. However,

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the EPA emphasizes the importance and value of considering the full range of SCC values. As shown in the RIA, climate benefits are also estimated using the other three SCC estimates (model average at 2.5 percent discount rate, 3 percent and 5 percent; 95th percentile at 3 percent). The SCC estimates are year-specific and increase over time.

[c] Total costs include capital costs, monitoring, recordkeeping, and reporting costs, demand side energy efficiency program and participant costs, and changes in fuel expenditures. Capital costs are annualized at a capital charge rate of 14.29 percent. Energy efficiency costs are calculated at a 3 percent discount rate.

[d] The estimates of net benefits in this summary table are calculated using the global SCC at a 3 percent discount rate (model average). The RIA includes combined climate and health estimates based on these additional discount rates.

Table 4. Summary of the Monetized Benefits, Compliance Costs and Net Benefits for the Proposed Guidelines for Guam and Puerto Rico – Option 2 – Approach B[a]
[Millions of 2011$]

	2020	2025
Proposed Guidelines Illustrative Compliance Approach		
Climate Benefits[b]	$73	$110
Annualized Capital, Energy Efficiency and Monitoring, Reporting, & Recordkeeping Costs	$33	$98
Change in Fuel Expenditure	-$170	-$300
Total Compliance Costs[c]	-$130	-$200
Net Monetized Benefits [d]	$210	$300
Non-monetized Benefits	Health benefits of reductions in SO_2, NO_2, $PM_{2.5}$ and O_3. Reductions in HAP such as Hg and HCl. Ecosystem effects. Visibility impairment.	

[a] All estimates are rounded to two significant figures, so figures may not sum.

[b] The climate benefit estimate in this summary table reflects global impacts from CO_2 emission changes and does not account for

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changes in non-CO_2 GHG emissions. Also, different discount rates are applied to SCC than to the other estimates because CO_2 emissions are long-lived and subsequent damages occur over many years. The benefit estimates in this table are based on the average SCC estimated for a 3 percent discount rate. However the EPA emphasizes the importance and value of considering the full range of SCC values. As shown in the RIA, climate benefits are also estimated using the other three SCC estimates (model average at 2.5 percent discount rate, 3 percent and 5 percent; 95th percentile at 3 percent). The SCC estimates are year-specific and increase over time.

[c] Total costs include capital costs, monitoring, recordkeeping, and reporting costs, demand side energy efficiency program and participant costs, and changes in fuel expenditures. Capital costs are annualized at a capital charge rate of 14.29 percent. Energy efficiency costs are calculated at a 3 percent discount rate.

[d] The estimates of net benefits in this summary table are calculated using the global SCC at a 3 percent discount rate (model average). The RIA includes combined climate and health estimates based on these additional discount rates.

There are additional important benefits that the EPA could not monetize. These unquantified benefits include climate benefits from reducing emissions of non-CO_2 GHGs (e.g., nitrous oxide and methane)[11] and co-benefits from reducing direct exposure to HAP (e.g., Hg and HCl), as well as from reducing ecosystem effects and visibility impairment.

B. Organization and Approach for this Supplemental Proposal

[11] Although CO_2 is the predominant greenhouse gas released by the power sector, EGUs also emit small amounts of nitrous oxide and methane. See Chapter 2 of the June 2014 RIA for more detail about power sector emissions and the U.S. Greenhouse Gas Reporting Program's power sector summary, http://www.epa.gov/ghgreporting/ghgdata/reported/powerplants.html.

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This action presents the EPA's proposed emission guidelines for developing plans to reduce GHG emissions from the electric power sector in U.S. territories and areas of Indian country with affected EGUs. This action is based on the analytical approach of the June 18, 2014, proposal, and this preamble adopts and relies on all of the information in that proposal, including the background information, explanations, analyses, alternatives, solicitations of comment, etc.

Section II of this supplemental proposal provides background, implications for U.S. territories and areas of Indian country and a summary of the EPA's stakeholder outreach efforts. Section III of this supplemental proposal describes how this proposal is based on the analytical approach of the June 18, 2014, proposal, including the use of the four building blocks, as applied to each U.S. territory or each area of Indian country with affected EGUs, for setting goals, and also identifies the proposed goals for those areas. Section IV of this supplemental proposal provides an explanation of the proposed requirements for the required jurisdictional plans, which, again, are based on the proposed requirements in the June 18, 2014, proposal. Impacts of the proposed action are then described in section V of this supplemental proposal, followed by a discussion of statutory and executive order reviews in

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section VI and the statutory authority for this action in section VII of this supplemental proposal.

In addition to relying on, and building upon, the June 18, 2014, proposal for existing sources, this supplemental proposal is related to two other recently proposed rulemakings for CO_2 emissions: the proposed rulemaking that the EPA published on January 8, 2014, for newly constructed affected sources,[12] and the proposed rulemaking that the EPA published on June 18, 2014, for modified and reconstructed sources.[13] Those two rulemakings each have their own rulemaking docket, and the comment period for those two rulemakings has closed. This action is a supplemental proposal for the June 18, 2014, proposal for existing sources, and, as a result, comments on this supplemental proposal will be included in the docket for that June 18, 2014, proposal. Accordingly, commenters who wish to comment on any aspect of this supplemental proposal, including a topic that overlaps an aspect of one or both of the other related rulemakings, should make those comments on this supplemental proposal. Because this supplemental proposed rulemaking (i) adopts and relies on the information in the June 18, 2014, proposal, as noted above, as well as generally applies the same analytic framework described in the June 18, 2014,

[12] 79 FR 1430.
[13] 79 FR 34960.

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proposal, and (ii) is in the same docket as that June 18, 2014, proposal, commenters should limit their comments on this supplemental proposed rulemaking to the issues of the analytic framework that are relevant for U.S. territories and areas of Indian country with affected EGUs, as well as the question of how areas without affected sources could participate in multi-jurisdictional plans, as discussed in the next paragraph and in section IV.D.

The EPA is also soliciting comment on whether jurisdictions - including any states, territories and areas of Indian country - without existing fossil fuel-fired EGUs subject to this rule can partner with jurisdictions that are subject to this rule in developing multi-jurisdictional plans. An important benefit of these types of partnerships may include crediting investments that jurisdictions without affected sources may be able to make in renewable energy (RE) or demand-side energy efficiency resources for reducing CO_2 emissions from affected sources in other jurisdictions.

II. Background

A. Carbon Pollution Emission Guidelines Proposal

On June 18, 2014, the EPA proposed emission guidelines for states to follow in developing plans to address greenhouse gas emissions from existing fossil fuel-fired EGUs under the

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authority of CAA section 111(d).[14] More specifically, the EPA proposed state-specific rate-based goals for CO_2 emissions from affected EGUs, as well as guidelines for states to follow in developing plans to achieve the state-specific goals. The EPA indicated in the June 18, 2014, proposal that it intended to publish a supplemental proposal to establish emission performance goals for areas of Indian country and U.S. territories with affected EGUs.[15]

The June 18, 2014, proposal discussed the climate change impacts from GHG emissions, GHG emissions from fossil fuel-fired EGUs, the utility power sector, statutory and regulatory requirements, pre-proposal stakeholder outreach, the applicability requirements, the legal basis, the authority to regulate CO_2 and EGUs, combining the two existing categories for affected EGUs into a single category, the best system of emission reduction (BSER) and building blocks for setting goals, guidelines for plans, implications for other EPA programs and rules, the impacts of the June 18, 2014, proposal and other considerations. This supplemental proposal presumes familiarity with the June 18, 2014, proposal. Moreover, in this supplemental proposal, the EPA relies on the information and analytic framework provided in the June 18, 2014, proposal, is not

[14] 79 FR 34830.
[15] 79 FR 34854.

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repeating that information and analytic framework and adopts that information and analytic framework as they pertain to the requirements for U.S. territories and areas of Indian country. The EPA specifically solicited comment on the issues in the analytic framework in the June 18, 2014, proposal.

B. Implications for U.S. Territories

As discussed previously, the June 18, 2014, proposal for existing sources did not propose CO_2 goals for U.S. territories with affected EGUs. The EPA indicated in the June 18, 2014, proposal that, after conducting additional outreach, it intended to issue this supplemental proposal to establish territory-specific rate-based goals for CO_2 emissions and guidelines for U.S. territories to follow for the development, submission and implementation of plans to achieve their goal. The EPA intends to take final action on this supplemental proposal in conjunction with the final action for the June 18, 2014, proposal.

The EPA is aware of two U.S. territories with affected EGUs: Puerto Rico and Guam. The EPA is not aware of any affected EGUs in American Samoa or the Commonwealth of the Northern Mariana Islands. Information provided to the EPA indicates that there are two potentially affected EGUs in the U.S. Virgin Islands; however, they have not been in operation since before

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2012. Therefore, in this action, Puerto Rico and Guam are the only U.S. territories for which the EPA is proposing to set goals. The EPA requests comment on whether there are any other affected EGUs located in U.S. territories that were not identified for this supplemental proposal.

The U.S. territories are generally subject to CAA section 111(d) requirements in the same manner as states. CAA section 111(d) imposes obligations on "each State," and CAA section 302(d) defines the term "State" to include the U.S. territories. As discussed in more detail in section IV of this supplemental proposal, the CAA section 111(d) state plan requirements for U.S. territories are the same as those proposed for states in the June 18, 2014, proposal for existing sources.

C. Implications for Areas of Indian Country

Although affected EGUs located in Indian country operate as part of the interconnected system of electricity production and distribution, those affected EGUs would not generally be encompassed within any state's CAA section 111(d) plan because state plans are generally not approved in Indian country. The EPA is aware of four facilities with affected EGUs located in Indian country: the South Point Energy Center, in Fort Mojave Indian country geographically located within Arizona; the Navajo Generating Station, in Navajo Indian country geographically

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located within Arizona; the Four Corners Power Plant, in Navajo Indian country geographically located within New Mexico; and the Bonanza Power Plant, in Ute Indian country geographically located within Utah. The South Point facility is a natural gas combined cycle (NGCC) power plant, and the Navajo, Four Corners and Bonanza facilities are coal-fired EGUs. The operators and co-owners of these four facilities include investor-owned utilities, cooperative utilities, public power agencies[16] and independent power producers, most of which also own or co-own affected EGUs within states, but outside of areas of Indian country. The EPA requests comment on whether there are any other affected EGUs located in Indian country beyond the four facilities identified for this supplemental proposal.

The EPA indicated in the June 18, 2014, proposal that, after conducting additional outreach, the agency would issue this supplemental proposal to establish rate-based CO_2 emission performance goals for the three areas of Indian country with affected EGUs. As noted above, the EPA intends to take final action on this supplemental proposal in conjunction with the final action for the June 18, 2014, proposal. As discussed in more detail in section IV.B, tribes are not required to develop plans to implement the guidelines under CAA section 111(d) for

[16] One of these public power agencies is the U.S. Bureau of Reclamation.

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affected EGUs in their areas of Indian country. Pursuant to the Tribal Authority Rule (TAR),[17] the EPA must promulgate federal plan provisions if it determines that such provisions are necessary or appropriate, unless a tribe on whose lands an affected source (or sources) is located seeks and obtains authority from the EPA to establish a plan itself. If the EPA determines that it is necessary or appropriate to promulgate implementation plan provisions, it will promulgate such provisions as are necessary or appropriate to achieve CO_2 emission performance goals through a transparent public process and after providing opportunity for consultation with the affected tribal government or governments.

D. Additional Outreach and Consultation

Section III ("Stakeholder Outreach and Conclusions") of the June 18, 2014, proposal documents the EPA's extensive outreach efforts prior to the proposal, including outreach to officials in the territories and tribal officials. Prior to the June 18, 2014, proposal, agency officials held meetings with the Governor of Puerto Rico, the Governor of the U.S. Virgin Islands, the Puerto Rico Environmental Quality Board and the U.S. Virgin Islands Department of Planning and Natural Resources. The EPA also met with stakeholders from Puerto Rico on July 22 and 23,

[17] 63 FR 7254, February 12, 1998. See 40 CFR 49.1 to 49.11.

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2014, to provide an overview of the June 18, 2014, proposal and ask for input on this supplemental proposal. Issues raised during the meetings included concerns regarding the crediting of pre-2012 building block control strategies as well as resource plans that integrate some of the building block control strategies. On September 8, 2014, the EPA met with Guam Environmental Protection Agency, Guam Power Authority and the Consolidated Commission on Utilities to provide an overview of the June 18, 2014, proposal and ask for input on this supplemental proposal. Issues raised during the meeting included Guam's plans to modify certain power plants, including introduction of ultra-low sulfur diesel fuel and liquefied natural gas (LNG).

Tribes are not required to, but may, develop or adopt CAA programs. Because this supplemental proposal addresses affected sources located within Indian country, the EPA offered consultation with tribal officials to permit tribes to have meaningful and timely input into its development. The EPA held consultations with all three tribes that have affected EGUs on their lands, as well as other tribes that requested consultation. The EPA held a consultation with the Ute Tribe, the Crow Nation, and the Mandan, Hidatsa and Arikara (MHA) Nation (the Three Affiliated Tribes of Ft. Berthold) on July 18,

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2014, the Fort Mojave Tribe on August 22, 2014, and the Navajo Nation on September 15, 2014. The Navajo Nation sent a letter to the EPA on September 18, 2014, summarizing the information presented at the consultation and the Navajo Nation's position on this supplemental proposal. The EPA also met with tribal environmental staff with the National Tribal Air Association, by teleconference, on June 26, 2014, August 4, 2014, and September 5, 2014. In those teleconferences, the EPA provided background information on the GHG emission guidelines to be developed and a summary of issues being explored by the agency. The tribes expressed an interest in the scope of the guidelines being considered by the agency (e.g., over what time period, relationship to state and multi-state plans) and how tribes will participate in these planning activities. Tribes raised concerns about the impacts of the regulations on EGUs and the subsequent impact on jobs and revenue for their tribes. The Navajo Nation raised concerns about the application of certain building blocks to the EGUs on their lands, the impact of the proposed rule on renewable energy projects on their lands and the ability of the Navajo Nation to control any available carbon credits under a trading program. Detail regarding the EPA's outreach to tribes can be found in section VI.F of this supplemental proposal.

The EPA has used information from these meetings to inform

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this supplemental proposal. The EPA expects that a dialogue with tribal governments and other stakeholders will continue through the comment period and even after the rule is finalized. The EPA recognizes the importance of working with all stakeholders to ensure a clear and common understanding of the role they will play in addressing carbon pollution from power plants.

III. Goals for U.S. Territories and Areas of Indian Country

A. Overview

In this section, the EPA sets out proposed CO_2 emission performance goals to guide U.S. territories with affected EGUs in developing their plans. The EPA also sets out proposed emission performance goals for areas of Indian country with affected EGUs. The proposed goals reflect the EPA's quantification of each area's adjusted output-weighted average emission rate from affected EGUs that could be achieved by 2030 and sustained thereafter. The EPA is also proposing interim goals that would apply over a 2020-2029 phase-in period, through reasonable implementation, considering the unique circumstances of each individual area, of the BSER adequately demonstrated (based on all four building blocks as described in the June 18, 2014, proposal). See 79 FR 34855. These goals are presented in section III.B and are the basis for Option 1 in the discussion of the impacts of this proposed action in sections I.A and V. In

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addition, the EPA is taking comment on a second set of area-specific goals for U.S. territories and Indian country with affected EGUs that would reflect less stringent application of the same BSER, in this case by 2025, with interim goals that would apply over a 2020-2024 phase-in period. These goals are presented in section III.C and are the basis for Option 2 in the discussion of the impacts of this proposed action in sections I.A and V. When promulgated in the final rule following consideration of comments received, the interim and final goals would be binding emission guidelines for plans in each area. See 79 FR 34893 for a discussion of the stringency of the building blocks used to calculate goals.

The proposed goals are expressed in the form of area-specific, adjusted[18] output-weighted-average CO_2 emission rates for affected EGUs. However, jurisdictions are authorized to translate the form of the goal to a mass-based form, as long as

[18] As described below, the emission rate goals include adjustments to incorporate the potential effects of emission reduction measures that address power sector CO_2 emissions primarily by reducing the amount of electricity produced at an area's affected EGUs (associated with, for example, increasing the amount of new low- or zero-carbon generating capacity or increasing demand-side energy efficiency) rather than by reducing their CO_2 emission rates per unit of energy output produced.

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the translated goal achieves the same degree of emission limitation.[19]

B. Proposed Goals and Computation Procedure

The methodology used to compute the proposed interim and final CO_2 emission performance goals for U.S. territories and areas of Indian country with affected EGUs mirrors to the fullest extent possible the approach used to calculate goals for states discussed in section VII of the preamble to the June 18, 2014, proposal. See 79 FR 34892 for a detailed discussion of the methodology. That methodology is described in more detail in the "Goal Computation Technical Support Document"[20] issued in conjunction with the June 18, 2014, proposal, which includes a numerical example illustrating the full procedure. The development of the data inputs used in the computation procedure for the state goals is discussed in section VI of the June 18, 2014, proposal (79 FR 34855), and in the "GHG Abatement Measures" TSD[21] issued in conjunction with the June 18, 2014, proposal. The methodology and data inputs used to compute the proposed goals for U.S. territories and areas of Indian country

[19] A method for translating from a rate-based goal to a mass-based goal is discussed in the "Projecting CO_2 Emission Performance in State Plans Technical Support Document" (TSD) issued in conjunction with the June 18, 2014, proposal.
[20] This document is included in the docket with Document ID No. EPA-HQ-OAR-2013-0602-0460.
[21] This document is included in the docket with Document ID No. EPA-HQ-OAR-2013-0602-0437.

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are discussed in detail in the "Technical Support Document for Calculating Carbon Pollution Goals for Existing Power Plants in Territories and Areas of Indian Country," available in the docket for this rulemaking.

The EPA has developed proposed CO_2 emission performance goals for territories and areas of Indian country with affected EGUs, reflecting application of the BSER, based on all four building blocks described in the June 18, 2014, proposal, to pertinent data for each territory and area of Indian country with affected EGUs. The final goal for each area, expressed as a CO_2 emission rate on an output-weighted-average basis, is intended to represent the emission performance level achievable collectively by all of an area's affected EGUs by 2030, after a 2020-2029 phase-in period, with certain computation adjustments described below, to reflect the potential to achieve emission reductions by avoiding fossil fuel-fired generation. For each area, in addition to the final goal, the EPA has developed an interim goal that would apply during the 2020-2029 period on a cumulative or average basis as the area progresses toward the final goal. The proposed goals are set forth in Tables 5 and 6 below, followed by a discussion of several considerations that should be noted regarding the computation methodology. For U.S. territories, as detailed in the discussion of the

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considerations, the EPA is co-proposing two approaches for the application of building block 3, which are shown as approaches A and B in Table 5, and also taking comment on an alternative to the proposed approaches for the application of building block 3, as shown in Table 7. For areas of Indian country with affected EGUs, the EPA is proposing one option, as shown in Table 6, and taking comment on alternatives. (The issue of how areas could demonstrate emission performance consistent with the interim and final goals is addressed in section IV of this supplemental proposal, below, which addresses plans.)

Table 5. Proposed Goals for Territories with Affected EGUs (Adjusted Output-Weighted-Average Pounds of CO_2 Per Net MWh From All Affected Fossil Fuel-Fired EGUs)

Area	Goal Using Proposed Approach A for Building Block 3		Goal Using Proposed Approach B for Building Block 3	
	Interim Goal	Final Goal	Interim Goal	Final Goal
Guam	1,733	1,586	1,708	1,556
Puerto Rico	1,470	1,413	1,459	1,399

Table 6. Proposed Goals for Areas of Indian Country with Affected EGUs (Adjusted Output-Weighted-Average Pounds of CO_2 Per Net MWh From All Affected Fossil Fuel-Fired EGUs)

Area	Goal Using Proposed Approach A for Building Block 3	
	Interim Goal	Final Goal
Lands of the Fort Mojave Tribe	856	855
Lands of the Navajo Nation	1,991	1,989

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Lands of the Ute Tribe of the Uintah and Ouray Reservation	2,000	1,988

As stated previously, the EPA applied the same four building blocks described in the June 18, 2014, proposal to determine the goals. However, applying the methodology from the June 18, 2014, proposal for building block 1 would not result in any adjustments to the goals for Guam or the Fort Mojave Indian country because there are no coal-fired affected EGUs in those areas. Applying the methodology for building block 2 would not result in any adjustments to the goal for the Fort Mojave Indian country for the same reason. Applying the methodology for building block 2 also would not result in any adjustments to the goals for Guam or any of the other areas of Indian country because there are no NGCC units for re-dispatch within those areas. With respect to Puerto Rico, the EPA believes that existing and planned LNG import capacity in Puerto Rico supports 70 percent dispatch at the territory's existing NGCC facility in building block 2 of goal setting.[22]

The EPA is co-proposing two options for the application of building block 3 for the territories with affected EGUs. The

[22] The information supporting the potential for the LNG capacity to support 70 percent dispatch is further detailed in the "Technical Support Document for Calculating Carbon Pollution Goals for Existing Power Plants in U.S. Territories and Areas of Indian Country."

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first co-proposal option, shown as approach A in Table 5, mirrors the proposed methodology from the June 18, 2014, proposal for determining RE, which applies, for each jurisdiction, an annual growth factor to the area's baseline (that is, the year 2012) amount of RE. This methodology applies the annual growth factor for each year from 2017 to the final target in 2029. The EPA is also proposing this option for the application of building block 3 for areas of Indian country, as shown in Table 6. For the territories, the EPA applied Hawaii's 9 percent annual growth factor because the territories appear to have relatively similar RE resource bases and power system characteristics (e.g., independent utility grids and unique fossil fuel generation portfolios with high electricity and fuel costs). For areas of Indian country, the EPA applied the West region's 6 percent annual average growth factor because those areas are geographically located within the West region. However, with respect to all of the U.S. territories and areas of Indian country for which the EPA is proposing goals in this supplemental proposal, the available information indicates that there was no generation from utility-scale, non-hydroelectric RE in 2012. Because each territory and area of Indian Country has a baseline amount of RE equal to zero, the application of the growth factor (that is, multiplying the baseline amount of zero

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by the growth factor) results in each of those areas having an RE amount of zero for building block 3. Therefore, strictly applying the methodology from the June 18, 2014, proposal for building block 3 would result in no additional emission reductions required, and, therefore, no change to the goals for these areas.[23]

The second co-proposal option for U.S. territories with affected EGUs, shown as approach B in Table 5, reflects a conclusion that there is potential for RE development in the territories and includes an adjustment to the proposed methodology, which results in a positive amount of RE for building block 3 for each of the territories. This adjustment is based on the EPA's view that there is in fact potential for renewable generation in each of the territories with affected EGUs. With this adjustment, the EPA changed the amount of RE in 2017 to be 0.37 percent of the 2012 total electricity generation, which is consistent with the lowest amount among the

[23] Consistent with the methodology used in the June 18, 2014, proposal, the proposed RE target for Puerto Rico does not include 2012 hydropower generation. The "Technical Support Document for Calculating Carbon Pollution Goals for Existing Power Plants in U.S. Territories and Areas of Indian Country" presents Puerto Rico's RE target both with and without the inclusion of 2012 hydropower generation.

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50 states in 2012.[24] Proceeding with the methodology, the EPA then applies the annual growth factor for each area in the assigned amount (noted above) through 2029. Using this approach, RE targets for the U.S. territories grow from 0.37 percent to 1.0 percent of 2012 total generation by 2030. The goals calculated using this approach are presented as proposed approach B for building block 3 in Table 5.

The EPA's view is that there is also potential for RE generation in each of the areas of Indian country with affected EGUs. The EPA notes that if the methodology described above (changing the amount of RE in 2017 to be 0.37 percent of the 2012 total electricity generation and applying the annual growth factor for each area in the assigned amount through 2029) is used for areas of Indian country, the amount of RE included under this option would be a significant portion of the area's electricity demand. This is due to the fact that, unlike all other jurisdictions covered by the June 18, 2014, proposal and this supplemental proposal, there are significant differences between the electricity generation in each of the areas of Indian country with affected EGUs and electricity demand within those same areas. Although the basis for including RE in

[24] With 0.37 percent, Kentucky had the lowest percentage of renewable generation in 2012. See 79 FR 34868 and Table 4-1 in the "GHG Abatement Measures" TSD on page 4-6.

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building block 3 as part of the BSER, as discussed in the June 18, 2014, proposal, does not depend on the amount of electricity demand within state, territory or area of Indian country (79 FR 34883-34890), the Navajo Nation stated during its consultation, that building block 3 is not appropriate for the Navajo Nation because the tribe's use of electricity is small compared to the generation at the power plants. The EPA seeks comment on whether the methodology co-proposed for the territories is appropriate for areas of Indian country, or if adjustments to the proposed option or other approaches for the application of building block 3 for areas of Indian country are more appropriate. For example, an RE target could be established based on a percentage of the electric demand within the jurisdiction, where the percentage would be consistent with the amounts of RE generation in building block 3 in other jurisdictions (e.g. the lowest, average or greatest percentage of RE per electric demand in other affected jurisdictions).

In the June 18, 2014, proposal, the EPA solicited comment on an alternative RE approach for building block 3 that relied on technical potential within states, and in this supplemental proposal, the EPA is soliciting comment on that same approach as applied to U.S. territories with affected EGUs. The goals calculated using this approach are presented in Table 7. The EPA

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is presenting information on this alternative approach for Puerto Rico. The EPA is not presenting information on this alternative approach for Guam because the EPA does not have technical potential data for Guam. The EPA is seeking comments on available technical potential for Guam in order to allow us to calculate a RE target based on the alternative approach. The EPA has limited technical potential data for Puerto Rico - that is, only solar photovoltaic and wind data - and is also seeking comments on available technical potential for that jurisdiction. Even without RE market potential data to pair with the technical potential data for Puerto Rico, the RE target is 1.2 percent of 2012 total generation by 2030, which is well below the mandatory renewable portfolio standard target of 15 percent by 2020. For areas of Indian country, similar to the discussion above regarding the application of approach B for areas of Indian country, in light of concerns expressed by the Navajo Nation that its use of electricity is small compared to generation at the power plants, coupled with the fact that the amount of RE required for each area of Indian country under this alternative approach would be in excess of the area's electricity demand, the EPA seeks comment on the need for, and possible types of, adjustments to the alternative approach for the application of building block 3 for areas of Indian country.

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The cumulative RE amounts for each territory using the two options for the proposed approach and the alternative approach for building block 3, represented as percentages of 2012 total generation, are shown in Table 8. The EPA is co-proposing the two RE approaches for U.S. territories and is proposing one option and taking comment on alternatives for areas of Indian country with affected EGUs, as well as seeking comment on the alternative approach for territories. The EPA is also seeking comment on sources of RE data from these areas.

Table 7. Proposed Goals for Territories with Affected EGUs Using Alternative Approach for Building Block 3 (Adjusted Output-Weighted-Average Pounds of CO_2 Per Net MWh From All Affected Fossil Fuel-Fired EGUs)

Area	Goal Using Alternative Approach for Building Block 3	
	Interim Goal	Final Goal
Guam	1,733	1,586
Puerto Rico	1,452	1,397

Table 8. RE Generation Levels for Territories Goal Development (Percentage of 2012 Total Generation)

Area	2012 Non-hydro RE	2012 Total RE	Proposed Approach A for Building Block 3		Proposed Approach B for Building Block 3		Alternative Approach for Building Block 3	
			Interim Level	Final Level	Interim Level	Final Level	Interim Level	Final Level
Guam	0%	0%	0%	0%	0.7%	1.0%	0%	0%
Puerto Rico	0%	0.7%	0%	0%	0.7%	1.0%	1.2%	1.2%

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The proposed goal computation procedure for building block 4, demand-side energy efficiency, for U.S. territories and Indian country, mirrors the method and data sources used for setting goals for states to the fullest extent possible. Data sources the EPA has used for purposes of establishing demand-side energy efficiency targets for states are generally available for areas of Indian Country with identified affected EGUs. These sources include reduced fuel expenditures from demand-side energy efficiency programs (Energy Information Administration (EIA) Form 861), retail sales (EIA Form 861) and projections of future growth of retail sales by region (Annual Energy Outlook (AEO)). For the U.S. territories, Guam and Puerto Rico, however, projected retail electricity sales growth is not available from the 2012 AEO as it was for states.[25] The EPA is not aware of another source for this information and, thus, is using a zero percent per year growth rate for the retail sales data. Other values that the EPA considered using were the recent historic sales growth value from EIA Form 861 of -0.19 percent annually for Puerto Rico and -0.76 percent annually for Guam, or the projected sales growth rate for the continental U.S. from the 2012 AEO of 0.78 percent per year (2012-2040). The EPA

[25] For states, projected retail sales growth was derived from AEO regional results.

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solicits comments identifying alternative approaches and/or data sources for projections of retail electricity sales in these two territories. For the three areas of Indian country with affected EGUs, the EPA was able to employ the exact same method and data sources as used for states to compute goals for building block 4. For the Ute Tribe of the Uintah and Ouray Reservation, the source for retail sales is based on EIA Form 861 data for the Moon Lake Electric Association in Utah.

One issue raised by the Navajo Nation during consultation was the need to increase access to electricity in areas of Indian country where electricity access and consumption is significantly below the national average. For example, the Navajo Nation indicated that 32 percent of the Navajo do not have electricity. The Navajo Nation indicated that the goal for their area of Indian country should account for the need to increase energy usage on their lands. The proposed goal is not intended to limit the ability to increase the availability of electricity in unserved portions of Indian country. The EPA notes that the methodology for building block 4 applies demand-side energy efficiency assuming future growth in sales of electricity, with the goal of ensuring future growth is accomplished efficiently. For the areas of Indian country, the EPA used the projected retail electricity sales growth for the

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grid region from the 2012 AEO, which is 1.3 percent per year for the Navajo Nation and the Fort Mojave Tribe, and 1 percent per year for the Ute Tribe. The EPA requests comment on this approach. It should also be noted that sales of electricity in areas of Indian country are small compared to the total generation from affected EGUs in those areas. As a result, the avoided generation due to demand-side energy efficiency measures in building block 4 would yield very few emission reductions and, therefore, would have a very small impact on the overall goal for these areas. Accordingly, the EPA is seeking comment on the appropriateness of using, in the alternative, a minimum starting value for demand-side energy efficiency in areas of Indian country, and what that value should be.

The EPA invites comment on all aspects of the goal computation procedure for U.S. territories and areas of Indian country with affected EGUs. The EPA also specifically invites comment on the area-specific historical data for affected EGUs in U.S. territories and Indian country to which the building blocks are applied in order to compute the area's goals, as well as the area-specific data for U.S. territories and Indian country used to develop the area-specific data inputs for building blocks 3 and 4. These data are contained in the "Technical Support Document for Calculating Carbon Pollution

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Goals for Existing Power Plants in U.S. Territories and Areas of Indian Country." Consistent with the June 18, 2014, proposal, the EPA also requests comment on whether CO_2 emission reductions associated with other measures not currently included in any of the four proposed building blocks should be accounted for in developing the goals for U.S. territories and Indian country. Section VI.C.5 of the June 18, 2014, proposal discusses such other measures. See 79 FR 34875.

C. Alternate Goals Offered for Comment and Other Approaches Considered

Consistent with the June 18, 2014, proposal, in addition to the proposed area-specific emission rate-based goals described above, the EPA has developed for public comment an alternate set of goals reflecting less stringent application of the building blocks and a shorter implementation period. The alternate final goals represent emission performance that would be achievable by 2025, after a 2020-2024 phase-in period, with interim goals that would apply during the 2020-2024 period on a cumulative or average basis as areas progress toward the final goals. As discussed in section III.B of this supplemental proposal, the EPA is co-proposing two approaches for the application of building block 3 for U.S. territories.

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The alternate goals are set forth in Tables 9 and 10 below. See 79 FR 34898 for a discussion of the alternate goals and how the stringency of the building blocks used to calculate alternate goals compares to the proposed goals.

Table 9. Alternate Goals for Territories with Affected EGUs (Adjusted Output-Weighted-Average Pounds of CO_2 Per Net MWh From All Affected Fossil Fuel-Fired EGUs)

Area	Goal Using Proposed Approach A for Building Block 3		Goal Using Proposed Approach B for Building Block 3	
	Interim Goal	Final Goal	Interim Goal	Final Goal
Guam	1,854	1,794	1,831	1,768
Puerto Rico	1,542	1,521	1,533	1,510

Table 10. Alternate Goals for Areas of Indian Country with Affected EGUs (Adjusted Output-Weighted-Average Pounds of CO_2 Per Net MWh From All Affected Fossil Fuel-Fired EGUs)

Area	Goal Using Proposed Approach A for Building Block 3	
	Interim Goal	Final Goal
Lands of the Fort Mojave Tribe	857	857
Lands of the Navajo Nation	2,035	2,034
Lands of the Ute Tribe of the Uintah and Ouray Reservation	2,052	2,048

In the June 18, 2014, proposal, the EPA discussed issues related to the stringency and timing of these alternative goals. See 79 FR 34898. The EPA continues to seek comment on those issues as they relate to U.S. territories and areas of Indian country with affected EGUs.

D. Additional Considerations for U.S. Territories and Indian Country

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With respect to U.S. territories, the EPA is aware of affected EGUs in only Puerto Rico and Guam. As noted above, although the EPA has identified two fossil fuel-fired EGUs in the U.S. Virgin Islands, neither of these EGUs has operated recently or is currently operating, and, as a result, the EPA is not proposing a goal for the U.S. Virgin Islands. The EPA plans to evaluate whether a goal is appropriate for the U.S. Virgin Islands if either of its affected EGUs resumes operations in the future.

In the June 18, 2014, proposal, the EPA sought comment on issues related to U.S. territories. In particular, the EPA solicited comment on appropriate alternatives for those territories that do not have access to natural gas.[26] In addition, the EPA requested comment on whether heat rate improvements for non-coal fossil fuel-fired EGUs, including oil-fired steam EGUs, should be included in the building blocks and, therefore, be part of the basis for determining the BSER, with particular reference to the U.S. territories.[27] The EPA is reiterating its request for comments on those issues, including on whether heat rate improvements are appropriate for oil-fired steam EGUs in territories in light of the fact that these EGUs make up a large portion of the EGU fleet in the territories.

[26] 79 FR 34893.
[27] 79 FR 34877.

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In addition, U.S. territories have many high utilization oil combustion turbines and oil-fired combined cycle units. These units are currently not included in the 2012 baseline because they are not covered by the proposed CAA section 111(b) rules for CO_2 emissions from newly constructed or modified/reconstructed fossil fuel-fired EGUs. See 79 FR 1430, 1446 (January 8, 2014) (newly constructed EGUs); 79 FR 34960, 34972 (June 18, 2014) (modified/reconstructed EGUs). The EPA is requesting comment on the appropriateness of including these units in the CAA section 111(d) plans for the territories.

IV. CAA Section 111(d) Plans

A. U.S. Territories

After the EPA establishes the jurisdiction-specific rate-based CO_2 goals in the emission guidelines, as described in section III above, each territory that has a goal must then develop, adopt and submit a plan under CAA section 111(d) for achieving its goal. In the June 18, 2014, proposal, the EPA discusses at length the procedural and substantive requirements for CAA section 111(d) plans and solicits comment on numerous issues. Although, as noted above, that discussion is incorporated by reference in this proposal, for convenience, key aspects of the plan requirements are reiterated here.

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A territory must first determine the emission performance level it will include in its plan, which entails deciding whether it will adopt the rate-based CO_2 goal set by the EPA or translate the rate-based goal to a mass-based goal. The territory must then establish an emission standard or set of emission standards, and, perhaps, other measures, along with implementing and enforcing measures, that will achieve a level of emission performance that is equal to or better than the level specified in the plan. The territory has discretion to choose the measures it will include in its plan to achieve its goal as long as it can demonstrate that those measures will achieve the goal, and those measures meet and address necessary plan approvability criteria and plan components. The territory may use the same set of measures as in the EPA's approach to setting the goals, or the territory may use other or additional measures to achieve the required CO_2 reductions. A territory's plan may rely on enforceable CO_2 emission limits that are applied directly to affected EGUs such that those limits are sufficient to ensure compliance with the territory's CO_2 performance goal, or, alternatively, the plan may take a portfolio approach, which includes enforceable CO_2 emission limits that apply to specific affected EGUs as well as other enforceable measures, such as RE and demand-side energy efficiency measures, which avoid EGU CO_2

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emissions and are implemented by the territory or by another entity.

The EPA is proposing that U.S. territories follow the same guidelines for developing their plans that were proposed for states in the June 18, 2014, proposal. These guidelines include four general plan approvability criteria, 12 required components for a plan to be approvable, the process and timing for plan submittal and the process and timing for demonstrating achievement of the CO_2 emission performance level in the plan. These guidelines are summarized briefly below, and discussed in more detail in section VIII of the June 18, 2014, proposal.

The EPA is proposing to evaluate and approve a territory's plan based on four general criteria: (1) enforceable measures that reduce EGU CO_2 emissions; (2) projected achievement of emission performance equivalent to the goals established by the EPA, on a timeline equivalent to that in the emission guidelines; (3) quantifiable and verifiable emission reductions; and (4) a process for reporting on plan implementation, progress toward achieving CO_2 goals and implementation of corrective actions, if necessary. In addition, each territory's plan must follow the EPA framework regulations at 40 CFR 60.23. The proposed

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components of the plans that territories are required to submit under CAA section 111(d) are as follows:

- Identification of affected entities
- Description of plan approach and geographic scope
- Identification of territory's emission performance level
- Demonstration that plan is projected to achieve emission performance level
- Identification of programmatic milestones
- Identification of corrective measures
- Identification of emission standards and any other measures
- Demonstration that each emission standard is quantifiable, non-duplicative, permanent, verifiable and enforceable
- Identification of monitoring, reporting and recordkeeping requirements
- Description of territory's reporting
- Certification of hearing on territory's plan
- Supporting material

The plan must also include a process for annual reporting on plan implementation, provisions ensuring progress toward achieving CO_2 goals and provisions requiring implementation of corrective actions if necessary. No less frequently than every 2 rolling calendar years, beginning January 1, 2022, the territory will be required to compare CO_2 emission performance achieved by affected EGUs in the territory with the emissions performance projected in the territory's plan, and report that to the EPA.

The proposed timetable for submission of plans by the territories is the same as described in the June 18, 2014, proposal for the states. That is, each territory must submit a plan to the EPA by June 30, 2016. However, the EPA

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recognizes that some territories may need more than 1 year to complete all of the actions needed for their final plans, including technical work, legislative and rulemaking activities, coordination with third parties and coordination among jurisdictions involved in multi-jurisdictional plans. Therefore, the EPA is proposing an optional two-phased submittal process for plans. In phase 1, each territory needing additional time to submit a complete plan would be required to submit an initial plan containing certain required components by June 30, 2016. The initial plan would also document the reasons the territory needs more time and include commitments to take concrete steps that will ensure that the territory will submit a complete plan by June 30, 2017 or 2018, as appropriate. To be approvable, the initial plan must include specific components, including, among others, a description of the plan approach, initial quantification of the level of emission performance that will be achieved through the plan, a commitment to maintain existing measures that limit CO_2 emissions, an explanation of the path to completion and a summary of the territory's response to any significant public comment on the approvability of the initial plan.

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If the EPA does not notify the territory within 60 days that the initial plan is deficient because it does not contain one or more of the required components, the extension of time to submit a complete plan will be deemed granted and a territory would have until June 30, 2017, to submit a complete plan if the geographic scope of the plan is limited to that territory. If the territory develops a plan that includes a multi-jurisdictional approach, it would have until June 30, 2018, to submit a complete plan. Further, the EPA is proposing that where a territory is participating in a multi-jurisdictional plan, a single joint plan may be submitted on behalf of all of the participating jurisdictions, provided it is signed by authorized officials for each of the jurisdictions participating in the plan and contains the necessary regulations, laws, etc., for each jurisdiction in the plan.

The EPA is proposing the same process for EPA review of the plans submitted by the territories as in the June 18, 2014, proposal. Following submission of complete plans, the EPA will review plan submittals for approvability. Given the diverse approaches territories may take to meet the emission performance goals in the emission guidelines, the EPA is proposing to extend the period for EPA review

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and approval or disapproval of territories' plans from the 4-month period provided in the EPA framework regulations to a 12-month period.

The EPA is proposing the same timetables for territories to achieve their emission performance levels as in the June 18, 2014, proposal for states. Under this proposed timetable, a territory would need to meet its interim CO_2 emission performance level on average over the 10-year period from 2020-2029, as well as achieve its final CO_2 emission performance level by 2030 and maintain that level subsequently. For a more detailed discussion of the proposed guidelines for plans, see section VIII of the June 18, 2014, proposal. In that proposal, the EPA specifically solicited comment on several aspects of the guidelines as they relate to state plans, and the EPA now solicits comment on the same issues as they relate to U.S. territories.

B. Areas of Indian Country with Affected EGUs

The TAR identifies CAA provisions for which it is appropriate for the EPA to grant Indian tribes treatment in the same manner as states (TAS). Pursuant to the TAR, tribes may apply for TAS for purposes of CAA section 111(d). As a result, a tribe that has an affected EGU located in its area of Indian

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country has the opportunity, but not the obligation, to apply for TAS status and, if granted that status by the EPA, to develop a plan that establishes standards of performance for CO_2 emissions from affected EGUs located in its area of Indian country. The EPA is not proposing a determination regarding any particular tribe's eligibility for TAS or ability to regulate EGUs located in its area of Indian country as part of this supplemental proposal. If a tribe has an affected EGU located in its area of Indian country, but does not seek and obtain the authority from the EPA to establish a CAA section 111(d) plan, then the EPA has the responsibility to establish such plans for the areas of Indian country where affected sources are located if the EPA determines that such a plan is necessary or appropriate. If a tribe with affected EGUs located in its area of Indian country obtains the authority to develop and submit a plan, the tribe would have the flexibility and authority[28] described in section VIII of the June 18, 2014, proposal for states in developing a plan.

The EPA asked for comment on a number of specific aspects of plans in section VIII of the June 18, 2014, proposal, and the EPA solicits comment on those same issues as they relate to

[28] This authority is found in CAA section 301(d) and the TAR.

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areas of Indian country with affected EGUs.[29] In particular, the EPA requested comment on whether a tribe wishing to develop and implement a CAA section 111(d) plan should have the option of including the EGUs located in its area of Indian country in a multi-jurisdictional plan with one or more states, territories or tribes. As stated previously in section II.D of this supplemental proposal, the Navajo Nation indicated during consultation that the Navajo Nation should control, under a trading program, any available CO_2 allowances from the affected EGUs at Navajo Generating Station and Four Corners Power Plant. The EPA also requested comment in the June 18, 2014, proposal on whether a federal plan for areas of Indian country with affected EGUs, should the EPA conclude at a later date that such a plan is necessary or appropriate, could be developed on a multi-jurisdictional basis in conjunction with nearby (or potentially other) states developing CAA section 111(d) state plans.

C. Applicability of the Proposed Emission Guidelines to U.S. Territories and Eligible Indian Tribes

As stated previously, the EPA is proposing the same emission guidelines for U.S. territories and tribes that seek

[29] For a list of the topics that the EPA is soliciting comment on regarding plans please see http://www2.epa.gov/sites/production/files/2014-08/documents/clean-power-plan-comment-categories.pdf under the Category heading of "State Plans."

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and obtain the authority to establish a plan that were proposed for states in the June 18, 2014, proposal. The term "state" as used in the emission guidelines proposed in the June 18, 2014, proposal would encompass U.S. territories with one or more affected EGUs that commenced construction on or before January 8, 2014, and any Indian tribe that has been approved by the EPA pursuant to 40 CFR 49.9 as eligible to administer the emission guidelines, in addition to the 50 states and the District of Columbia that have one or more affected EGUs. The EPA believes that this is the case without the need for the emission guidelines to directly and separately refer to these entities. Section 302(d) of the CAA defines the term "State" to include the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa and the Commonwealth of the Northern Mariana Islands. While 40 CFR part 60 contains a separate definition of "state" at § 60.2, this definition expands on, rather than narrows, the definition in section 302(d) of the CAA. The introductory language to 40 CFR 60.2 provides: "The terms in this part are defined in the Act or in this section as follows." Section 60.2 defines "State" as "all non-Federal authorities, including local agencies, interstate associations, and State-wide programs that have been delegated authority to implement: (1) the provisions of this part and/or (2) the permit program

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established under part 70 of this chapter. The term State shall have its conventional meaning where clear from the context." (Emphasis added.) The EPA believes that the last sentence refers to the conventional meaning of "state" under the CAA. Thus, the EPA believes the term "state" as used in the emission guidelines is most reasonably interpreted as including the meaning ascribed to that term in section 302(d) of the CAA, which expressly includes U.S. territories. Further, an Indian tribe with one or more affected EGUs in its area of Indian country seeking to obtain approval of a plan would need to be approved by the EPA as eligible to administer the emission guidelines following the procedure set forth in 40 CFR part 49. Once a tribe is approved as eligible for that purpose, it would be treated in the same manner as a state, and references in the emission guidelines to states would refer equally to the tribe. The EPA notes that while tribes have the opportunity to apply for eligibility to administer CAA programs, they are not required to do so. Further, the EPA has established procedures in 40 CFR part 49 (see particularly 40 CFR 49.7(c)) that permit eligible tribes to request approval of reasonably severable partial program elements. Those procedures are applicable here. Although the EPA believes the current emission guidelines are sufficiently inclusive, the EPA has decided to amend the applicability

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provision of the emission guidelines slightly to avoid any doubt that the guidelines apply to territories with affected EGUs and to any Indian tribe that has been approved by the EPA as eligible to develop and implement a plan. The revised regulatory text can be found in the "Amended Regulatory Text for Supplemental Proposal: Carbon Pollution Emission Guidelines for Existing Power Plants in Indian Country and U.S. Territories" memo in the rulemaking docket.

D. Areas without Affected EGUs[30]

Certain areas, including the state of Vermont, the District of Columbia, certain U.S. territories and most areas of Indian country, do not have any affected EGUs. Numerous stakeholders have expressed interest in areas that do not have affected EGUs having the opportunity to participate in multi-jurisdictional plans with areas that have affected EGUs. With this approach, an area without affected EGUs, which in many cases consumes energy produced elsewhere, could contribute to meeting a multi-jurisdictional CO_2 goal with its RE resources, demand-side energy efficiency programs and other new low- or non-emitting electricity generation.[31] The Navajo Nation, which does have

[30] It should be noted that this subsection applies to all types of areas, and not just territories and areas of Indian Country.
[31] See the June 18, 2014, proposal at 79 FR 34923 for a more robust description of how new NGCC can aid in meeting a jurisdiction's goal.

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affected EGUs on its lands, also expressed an interest during consultation in the ability of RE resources on the Navajo Nation to contribute to the achievement of state CO_2 goals.

The EPA requests comment on whether areas without affected EGUs may participate in multi-jurisdictional plans. The EPA requests comment on whether there are considerations that would specifically pertain to a multi-jurisdiction mass-based plan versus a rate-based plan. The EPA also requests comment on how CO_2 emissions avoided through RE generating resources,[32] demand-side energy efficiency measures, and other new low- and non-emitting electricity generation from areas without affected EGUs could be used to adjust or credit CO_2 emission rates in states required to develop CAA section 111(d) plans. The EPA also requests comment on how RE generating resources, demand-side energy efficiency measures, and other new low- and non-emitting electricity generation in areas of Indian country that do have affected EGUs can be included, and if their inclusion is dependent upon whether or not the tribe has adopted a CAA section 111(d) plan or EPA has made a finding and adopted a federal plan for that area of Indian country.

[32] Further discussion of applying RE (in particular renewable energy certificates) across jurisdiction borders can be found in the "State Plan Considerations" TSD, which is available in the docket for this rulemaking.

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Some stakeholders are also interested in the treatment of RE across international boundaries, particularly in instances where entities in another country are providing, or could provide, low- or non-emitting electricity generation to serve an area in the United States. In particular, stakeholders have asked whether RE resources from Canada can be used to contribute to meeting a jurisdiction's goal. The EPA is soliciting comment on all aspects of the treatment of RE, demand-side energy efficiency, and other new low- or non-emitting electricity generation across international boundaries in a CAA section 111(d) plan, considering the components for approvable plans described in the June 18, 2014, proposal, including any mechanisms that could be used to ensure that the low or non-emitting generation was in fact offsetting fossil-fuel-fired generation in the jurisdiction that would use it to meet its goal.

It should be noted that multi-jurisdictional plans that include areas without affected EGUs must still meet the plan components and criteria to determine whether a state's plan is "satisfactory" under CAA section 111(d)(2)(A) as described in section VIII of the June 18, 2014, proposal.[33] The EPA solicits comment on these components and criteria for jurisdictions

[33] For more information on plan components see the June 18, 2014, proposal at 79 FR 34911.

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without affected EGUs that wish to be a part of a multi-jurisdiction plan.

V. Impacts of the Proposed Action

A. What are the air impacts?

With regard to Guam and Puerto Rico, the EPA estimates implementation of Option 1 - Approach A[34] will result in emission reductions of roughly 1.6 million metric tons of CO_2 in 2020 and reductions of 3.1 million metric tons of CO_2 in 2030. The EPA estimates that implementation of Option 2 - Approach A[35] would result in emission reductions of roughly 1.5 million metric tons of CO_2 in 2020 and reductions of 2.0 million metric tons of CO_2 in 2025.

For Guam and Puerto Rico, the EPA estimates implementation of Option 1 - Approach B[36] will result in emission reductions of roughly 1.7 million metric tons of CO_2 in 2020 and reductions of 3.3 million metric tons of CO_2 in 2030. The EPA estimates that

[34] Option 1 represents compliance with the goals calculated using the procedure outlined in section III.B of this supplemental proposal.
[35] Option 2 represents compliance with the goals calculated using the procedure outlined in section III.C of this supplemental proposal, reflecting less stringent application of the building blocks and a shorter implementation period.
[36] Option 1 represents compliance with the goals calculated using the procedure outlined in section III.B of this supplemental proposal.

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implementation of Option 2 - Approach B[37] would result in emission reductions of roughly 1.6 million metric tons of CO_2 in 2020 and reductions of 2.1 million metric tons of CO_2 in 2025.

For all options and approaches, the EPA also expects reductions of criteria pollutants including SO_2, NOx and $PM_{2.5}$ as a result of actions taken to implement the goals proposed in this action. Due to data limitations, the EPA is not able to accurately estimate the co-reductions of criteria pollutant that would occur as a result of actions to implement the proposed goals.

The EPA does not expect any additional emission reductions from areas of Indian country with affected EGUs. The EGUs in the Navajo Nation's area of Indian country are already expected to meet the proposed goals through compliance with other regulations. Three EGUs at Four Corners Power Plant shut down at the beginning of 2014 to comply with requirements for Best Available Retrofit Technology (BART).[38] At Navajo Generating Station, the EPA expects that by 2019, one EGU will shut down or generation will be curtailed to comply with requirements for

[37] Option 2 represents compliance with the goals calculated using the procedure outlined in section III.C of this supplemental proposal, reflecting less stringent application of the building blocks and a shorter implementation period.
[38] See 79 FR 46514, August 24, 2012.

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BART.[39] These units represented approximately 30 percent of total EGU CO_2 emissions in Navajo territory in 2012. As a result, substantial CO_2 reductions from the shutdowns are expected prior to the target date for the goals proposed in this action, which would mean the Navajo territory would meet the proposed goal without additional actions beyond the shutdowns, if the goal is converted to a mass-based goal. The reductions associated with compliance with the goals for the lands of the Fort Mojave Tribe and the Ute Tribe of the Uintah and Ouray Reservation were already accounted for in the June 18, 2014, proposal. The impacts analysis for the June 18, 2014, proposal did not separate out and exclude electricity demand and reduced fuel expenditures associated with energy efficiency from tribal lands from the states in which they are located. Thus, the emission reductions associated with achieving reduced electricity generation levels of building block 4 as part of this supplemental proposal were previously accounted for in the June 18, 2014, proposal. There is one affected EGU on Ute territory. This EGU was not an affected unit in the June 18, 2014, proposal, but had the option to implement a heat rate improvement in the system-wide modeling conducted for that

[39] See 77 FR 51620, August 8, 2014.

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proposal.[40] Because the modeling reflected this optional heat rate improvement, the emission reductions from a heat rate improvement for this EGU were accounted for in the June 18, 2014, proposal.

B. What are the energy impacts?

As discussed previously, one area of Indian country with affected EGUs is expected to meet the proposed goal based on compliance with other regulations, and the impacts of compliance with the proposed goals for the other two areas were already accounted for in the June 18, 2014, proposal. In U.S. territories, the EPA anticipates a small degree of re-dispatch from coal- and oil-fired generation to natural gas-fired generation. It is possible that some portion of this shift away from coal- and oil-fired generation may occur in the absence of the rule, due primarily to the relatively high cost of petroleum-based fuel and electricity in these areas. For example, the Puerto Rico Electric Power Authority (PREPA) plans to add natural gas capacity at existing petroleum-burning plants. Additionally, both Guam and Puerto Rico are implementing Renewable Portfolio Standards programs.

While the EPA did not perform a full resource adequacy

[40] See Integrated Planning Model results at: http://www.epa.gov/airmarkets/powersectormodeling/cleanpowerplan.html.

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analysis as was conducted for the June proposal, the EPA does not expect actions taken to implement the proposed goals to raise reliability concerns because these actions are likely consistent with planned activities in the affected areas. (For example, present and planned actions on Navajo territory to implement criteria pollutant reductions and planned expansion of natural gas-fired capacity in Puerto Rico.)

C. What are the compliance costs?

The compliance costs of this proposed action are represented in this analysis as the change in electric power generation costs between the base case and the proposed rule in which U.S. territories pursue a distinct set of strategies beyond the strategies taken in the base case to meet the proposed goals. The compliance assumptions and projected compliance costs set forth in this analysis are illustrative in nature. There is uncertainty about the precise measures that territories will adopt to meet the proposed requirements, because there are considerable flexibilities afforded to them in developing their state plans. These illustrative compliance scenarios are designed to reflect, to the extent possible, the scope and the nature of the proposed guidelines.

For Guam and Puerto Rico, the illustrative annual compliance costs and monitoring and reporting costs for Option 1

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- Approach A are a savings of approximately $140 million (2011$) in 2020 and a savings of $350 million in 2030, including reduced fuel expenditures from energy efficiency programs and re-dispatch. For Option 2 - Approach A, the illustrative annual compliance costs and monitoring and reporting costs for Guam and Puerto Rico are a savings of approximately $130 million (2011$) in 2020 and a savings of $190 million in 2025, including reduced fuel expenditures from energy efficiency programs and re-dispatch.

For Guam and Puerto Rico, the illustrative annual compliance costs and monitoring and reporting costs for Option 1 - Approach B are a savings of approximately $140 million (2011$) in 2020 and a savings of $360 million in 2030, including reduced fuel expenditures from energy efficiency programs and re-dispatch. For Option 2 - Approach B, the illustrative annual compliance costs and monitoring and reporting costs for Guam and Puerto Rico are a savings of approximately $130 million (2011$) in 2020 and a savings of $200 million in 2025, including reduced fuel expenditures from energy efficiency programs and re-dispatch.

The EPA does not expect any additional compliance costs for areas of Indian country with affected EGUs. As discussed in section V.A of this supplemental proposal, the EPA expects that

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the goal for the lands of the Navajo Nation will be met without any further action beyond the shutdowns that are occurring, if the goal is converted to a mass-based goal. The costs for meeting the goal for the lands of the Fort Mojave Tribe and the Ute Tribe of the Uintah and Ouray Reservation were already included in the June 18, 2014, proposal.

D. What are the economic and employment impacts?

Changes in supply or demand for electricity, natural gas, oil and coal can impact markets for goods and services produced by sectors that use these energy inputs in the production process or that supply those sectors. Changes in cost of production may result in changes in price and/or quantity produced and these market changes may affect the profitability of firms and the economic welfare of their consumers. The EPA recognizes that these guidelines provide significant flexibilities and the territories implementing the guidelines may choose to mitigate impacts to some markets outside the EGU sector. Similarly, demand for new generation or energy efficiency can result in changes in production and profitability for firms that supply those goods and services. The guidelines provide flexibility for territories that may want to enhance demand for goods and services from those sectors.

Executive Order 13563 directs federal agencies to consider

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regulatory impacts on job creation and employment. According to the Executive Order, "our regulatory system must protect public health, welfare, safety, and our environment while promoting economic growth, innovation, competitiveness, and job creation. It must be based on the best available science." Although standard benefit-cost analyses have not typically included a separate analysis of regulation-induced employment impacts, during periods of sustained high unemployment, employment impacts are of particular concern and questions may arise about their existence and magnitude.

Under all scenarios analyzed for the territories of Guam and Puerto Rico, the annualized costs of the illustrative compliance strategies are expected to be negative for each year in the analysis as a result of reductions in field expenditures. Quantifying any employment impacts associated with implementing the proposed goals is difficult, as each area has the flexibility to implement a wide range of policies and practices for compliance with the proposed goals. The June 18, 2014, proposal used the cost projections from the engineering-based Integrated Planning Model to help estimate employment impacts in the electricity, natural gas and coal sectors, but these projections are not available for territories, making quantitative assessment of employment impacts for Guam and

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Puerto Rico more difficult. However, because annualized costs for the territories are relatively low or negative, the EPA does not expect significant adverse employment impacts under the illustrative compliance strategies. A critical component of the overall labor impacts of implementing the GHG guidelines is the impact of the labor associated with the demand-side energy efficiency activities. Like the RIA for the June 18, 2014, proposal indicated, the EPA anticipates that this rule may stimulate investment in clean energy technologies and services, resulting in considerable increases in energy efficiency in particular. The EPA expects these increases in energy efficiency, specifically, to support a significant number of jobs existing in related industries.

The EPA does not expect any economic or employment impacts for EGUs in Indian country arising from this proposed action, as the costs for meeting the proposed goals for the lands of the Fort Mojave Tribe and the Ute Tribe of the Uintah and Ouray Reservation were already accounted for in the June 18, 2014, proposal, and the goal for the lands of the Navajo Nation is expected to be met without any further action beyond the shutdowns that are occurring.

E. What are the benefits of the proposed action?

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The EPA has used the SCC estimates presented in the 2013 "Technical Support Document: Technical Update of the Social Cost of Carbon for Regulatory Impact Analysis Under Executive Order 12866" (2013 SCC TSD) to analyze CO_2 climate benefits of this rulemaking.[41] The EPA refers to these estimates, which were developed by the U.S. government, as "SCC estimates." The U.S. government first published the SCC estimates in 2010 following an interagency process that included the EPA and other executive branch entities; the process used three integrated assessment models (IAM) to develop SCC estimates and selected four global values for use in regulatory analyses. The U.S. government recently updated these estimates using new versions of each IAM and published them in 2013. The 2013 update did not revisit the 2010 modeling decisions (e.g., with regard to the discount rate, reference case socioeconomic and emission scenarios or equilibrium climate sensitivity). Rather, improvements in the

[41] Docket ID No. EPA-HQ-OAR-2013-0495, *Technical Support Document: Technical Update of the Social Cost of Carbon for Regulatory Impact Analysis Under Executive Order 12866*, Interagency Working Group on Social Cost of Carbon, with participation by Council of Economic Advisers, Council on Environmental Quality, Department of Agriculture, Department of Commerce, Department of Energy, Department of Transportation, Environmental Protection Agency, National Economic Council, Office of Energy and Climate Change, Office of Management and Budget, Office of Science and Technology Policy, and Department of Treasury (May 2013, Revised November 2013). Available at: http://www.whitehouse.gov/sites/default/files/omb/assets/inforeg/technical-update-social-cost-of-carbon-for-regulator-impactanalysis.pdf.

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way damages are modeled are confined to those that have been incorporated into the latest versions of the models by the developers themselves and published in the peer-reviewed literature. The 2010 SCC TSD provides a complete discussion of the methods used to develop these estimates and the 2013 SCC TSD presents and discusses the updated estimates.[42]

The EPA and other agencies have sought public comment on the SCC estimates as part of various rulemakings. In addition, OMB's Office of Information and Regulatory Affairs recently sought public comment on the approach used to develop the estimates. The comment period ended on February 26, 2014, and OMB is reviewing the comments received.

The four SCC estimates, updated in 2013, are as follows: $13, $46, $68 and $137 per metric ton of CO_2 emissions in the year 2020 (2011 dollars).[43] The first three values are based on

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[42] Docket ID No. EPA-HQ-OAR-2009-0472-114577, *Technical Support Document: Social Cost of Carbon for Regulatory Impact Analysis Under Executive Order 12866*, Interagency Working Group on Social Cost of Carbon, with participation by the Council of Economic Advisers, Council on Environmental Quality, Department of Agriculture, Department of Commerce, Department of Energy, Department of Transportation, Environmental Protection Agency, National Economic Council, Office of Energy and Climate Change, Office of Management and Budget, Office of Science and Technology Policy, and Department of Treasury (February 2010). Also available at: http://www.whitehouse.gov/sites/default/files/omb/inforeg/for-agencies/Social-Cost-of-Carbon-for-RIA.pdf.

[43] The 2010 and 2013 TSDs present SCC in $2007. The estimates were adjusted to 2011$ using the GDP Implicit Price Deflator.

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the average SCC from the three IAMs, at discount rates of 5, 3 and 2.5 percent, respectively. SCCs at several discount rates are included because the literature shows that the SCC is quite sensitive to assumptions about the discount rate, and because no consensus exists on the appropriate rate to use in an intergenerational context (where costs and benefits are incurred by different generations). The fourth value is the 95th percentile of the SCC from all three models at a 3 percent discount rate. It is included to represent higher-than-expected impacts from temperature change further out in the tails of the SCC distribution (representing less likely, but potentially catastrophic, outcomes).

The proposed guidelines would reduce emissions of precursor pollutants (e.g., SO_2, NOx and directly emitted particles) in the territories, which in turn would lower ambient concentrations of $PM_{2.5}$ and O_3. However, the EPA is unable to quantify the health co-benefits of SO_2 and NOx reductions in the U.S. territories because the benefit-per-ton values the EPA used in the June 18, 2014, proposal are only appropriate for areas within the continental U.S. These benefit-per-ton values are not appropriate to use in estimating co-benefits for the U.S. territories because those territories were not represented in

Also available at: http://www.gpo.gov/fdsys/pkg/ECONI-2013-02/pdf/ECONI-2013-02-Pg3.pdf.

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the air quality modeling used to generate the benefit-per-ton estimate.

As described in the June 18, 2014, proposal, reducing exposure to $PM_{2.5}$ is associated with significant human health benefits, including avoiding premature mortality for adults and infants, cardiovascular morbidities such as heart attacks, hospital admissions, and respiratory morbidities such as asthma attacks, acute bronchitis, hospital and emergency department visits, work loss days, restricted activity days, and respiratory symptoms. Reducing exposure to O_3 is also associated with significant human health benefits, including avoiding mortality and respiratory morbidity such as fewer asthma attacks, hospital and emergency room visits and school loss days. In addition, the EPA could not monetize other important benefits, including climate benefits from reducing emissions of non-CO_2 GHG and co-benefits from reducing exposure to HAP (e.g., Hg and HCl) concentrations, as well as ecosystem and visibility benefits.

For Guam and Puerto Rico, the EPA estimates that in 2020, the illustrative compliance approach for Option 1 - Approach A will yield monetized climate benefits of approximately $73 million with a 3 percent model average (2011$). The EPA estimates that in 2030, the illustrative compliance approach for

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Option 1 – Approach A in Guam and Puerto Rico will yield monetized climate benefits of approximately $170 million with a 3 percent model average (2011$). For Option 2 – Approach A, the EPA estimates that in 2020, the illustrative compliance approach for Guam and Puerto Rico will yield monetized climate benefits of approximately $68 million with a 3 percent model average (2011$). The EPA estimates that in 2025, the illustrative compliance approach for Option 2 – Approach A in Guam and Puerto Rico will yield monetized climate benefits of approximately $99 million with a 3 percent model average (2011$).

For Guam and Puerto Rico, the EPA estimates that in 2020, the illustrative compliance approach for Option 1 – Approach B will yield monetized climate benefits of approximately $77 million with a 3 percent model average (2011$). The EPA estimates that in 2030, the illustrative compliance approach for Option 1 – Approach B in Guam and Puerto Rico will yield monetized climate benefits of approximately $180 million with a 3 percent model average (2011$). For Option 2 – Approach B, the EPA estimates that in 2020, the illustrative compliance approach for Guam and Puerto Rico will yield monetized climate benefits of approximately $73 million with a 3 percent model average (2011$). The EPA estimates that in 2025, the illustrative compliance approach for Option 2 – Approach B in Guam and Puerto

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Rico will yield monetized climate benefits of approximately $110 million with a 3 percent model average (2011$).

The EPA does not expect any additional benefits associated with compliance for areas of Indian country with affected EGUs, as the benefits for meeting the proposed goals for the lands of the Fort Mojave Tribe and the Ute Tribe of the Uintah and Ouray Reservation were already accounted for in the June 18, 2014, proposal, and the goal for the lands of the Navajo Nation is expected to be met without any further action beyond the shutdowns that are occurring.

VI. Statutory and Executive Order Reviews

A. Executive Order 12866: Regulatory Planning and Review, and Executive Order 13563: Improving Regulation and Regulatory Review

Under section 3(f) (1) of Executive Order 12866 (58 FR 51735, October 4, 1993), this action is an "economically significant regulatory action" because it is likely to have an annual effect on the economy of $100 million or more or to adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or state, local, or tribal governments or communities. The $100 million threshold can be triggered by either costs or benefits, or a combination of them. Accordingly,

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the EPA submitted this action to OMB for review under Executive Orders 12866 and 13563 (76 FR 3821, January 21, 2011), and any changes made in response to OMB recommendations have been documented in the docket for this action. The EPA also prepared an analysis of the potential costs and benefits associated with this action in the RIA for this supplemental proposal.

Consistent with Executive Order 12866 and Executive Order 13563, the EPA estimated the costs and benefits for illustrative compliance approaches of implementing the proposed guidelines. This proposal sets goals to reduce CO_2 emissions from the electric power industry in U.S. territories and in Indian country. Actions taken to comply with the proposed guidelines will also reduce the emissions of directly emitted $PM_{2.5}$, SO_2 and NO_X. The benefits associated with these PM, SO_2 and NO_X reductions are referred to as co-benefits, as these reductions are not the primary objective of this rule.[44]

The EPA has used the SCC estimates (i.e., the monetary value of impacts associated with a marginal change in CO_2 emissions in a given year) to analyze CO_2 climate impacts of this rulemaking. The four SCC estimates are associated with different discount rates (model average at 2.5 percent discount rate, 3

[44] More details about the health benefits associated with reductions in $PM_{2.5}$, SO_2 and NO_x can be found in the RIA for the June 18, 2014, proposal.

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percent, and 5 percent; 95th percentile at 3 percent), and each increases over time. In this summary, the EPA provides the estimate of climate benefits associated with the SCC value deemed to be central by the U.S. government (the model average at 3 percent discount rate). There will likely be significant health co-benefits associated with reductions of SO_2 and NO_X. However, the EPA is unable to quantify health co-benefits SO_2 and NO_X reductions in the U.S. territories because the benefit-per-ton values that the EPA often uses for this purpose are only appropriate for areas within the continental U.S. In addition, the EPA could not monetize other important benefits, including climate benefits from reducing emissions of non-CO_2 GHG and co-benefits from reducing exposure to HAP (e.g., Hg and HCl) concentrations, as well as ecosystem and visibility benefits.

For Guam and Puerto Rico, the EPA estimates that in 2020, the illustrative compliance approach for Option 1 - Approach A will yield monetized climate benefits of approximately $73 million with a 3 percent model average (2011$). The annual illustrative compliance costs are a savings of approximately $140 million (2011$) in 2020. The EPA estimates that in 2030, the illustrative compliance approach for Option 1 - Approach A in Guam and Puerto Rico will yield monetized climate benefits of approximately $170 million with a 3 percent model average

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(2011$). The annual illustrative compliance costs are a savings of approximately $350 million (2011$) in 2030. For Option 2 - Approach A, the illustrative compliance approach for Guam and Puerto Rico will yield monetized climate benefits of approximately $68 million with a 3 percent model average (2011$) in 2025. The annual illustrative compliance costs are a savings of approximately $130 million (2011$) in 2020. The EPA estimates that in 2025, the illustrative compliance approach for Option 2 in Guam and Puerto Rico will yield monetized climate benefits of approximately $99 million with a 3 percent model average (2011$). The annual illustrative compliance costs result in a net savings of approximately $190 million (2011$) in 2025, including reduced fuel expenditures associated with energy efficiency programs and re-dispatch.

For Guam and Puerto Rico, the EPA estimates that in 2020, the illustrative compliance approach for Option 1 - Approach B will yield monetized climate benefits of approximately $77 million with a 3 percent model average (2011$). The annual illustrative compliance costs are a savings of approximately $140 million (2011$) in 2020. The EPA estimates that in 2030, the illustrative compliance approach for Option 1 - Approach B in Guam and Puerto Rico will yield monetized climate benefits of approximately $180 million with a 3 percent model average

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(2011$). The annual illustrative compliance costs are a savings of approximately $360 million (2011$) in 2030. For Option 2 - Approach B, the illustrative compliance approach for Guam and Puerto Rico will yield monetized climate benefits of approximately $73 million with a 3 percent model average (2011$) in 2020. The annual illustrative compliance costs are a savings of approximately $130 million (2011$) in 2020. The EPA estimates that in 2025, the illustrative compliance approach for Option 2 in Guam and Puerto Rico will yield monetized climate benefits of approximately $110 million with a 3 percent model average (2011$). The annual illustrative compliance costs result in a net savings of approximately $200 million (2011$) in 2025, including reduced fuel expenditures associated with energy efficiency programs and re-dispatch.

The EPA does not expect any additional benefits associated with compliance for areas of Indian country with affected EGUs, as the benefits for meeting the proposed goals for the lands of the Fort Mojave Tribe and the Ute Tribe of the Uintah and Ouray Reservation were already accounted for in the June 18, 2014, proposal, and the goal for the lands of the Navajo Nation is expected to be met without any further action beyond the shutdowns that are occurring.

B. Paperwork Reduction Act

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The information collection requirements in this proposed rule have been submitted for approval to OMB under the PRA, 44 U.S.C. 3501 *et seq*. The Information Collection Request (ICR) document prepared by the EPA has been assigned the EPA ICR number 2503.02.

This proposal does not directly impose specific requirements on EGU sources, including those located in U.S. territories and in Indian country. The proposal also does not impose specific requirements on tribal governments that have affected EGUs located in their area of Indian country. For Indian country, the proposal establishes CO_2 emission performance goals that could be addressed through either tribal or federal plans. A tribe would have the opportunity under the TAR, but not the obligation, to apply to the EPA for TAS for purposes of a CAA section 111(d) plan and, if approved by the EPA, to establish a CAA section 111(d) plan for its area of Indian country. To date, no tribe has requested or obtained TAS eligibility for purposes of a CAA section 111(d) plan. For areas of Indian country with affected sources where a tribe has not applied for TAS and submitted any needed plan, if the EPA determines that a CAA section 111(d) plan is necessary or appropriate, the EPA would have the responsibility to establish the plans. Because tribes are not required to implement section

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111(d) plans and because no tribe has yet sought TAS eligibility for this purpose, this proposed action is not anticipated to impose any information collection burden on tribal governments over the 3-year period covered by this ICR.

This proposal does impose specific requirements on U.S. territory governments that have affected EGUs. Their information collection requirements are based on the recordkeeping and reporting burden associated with the requirement that the two affected U.S. territories (i.e., Puerto Rico and Guam) develop, implement and enforce a plan to limit CO_2 emissions from existing sources in the power sector within those U.S. territories. These recordkeeping and reporting requirements are specifically authorized by CAA section 114 (42 U.S.C. 7414). All information submitted to the EPA pursuant to the recordkeeping and reporting requirements for which a claim of confidentiality is made is safeguarded according to agency policies set forth in 40 CFR part 2, subpart B.

The annual burden for this collection of information for the territories (averaged over the first 3 years following promulgation of this proposed action) is estimated to be 29,200 hours at a total annual labor cost of $2.07 million. The total annual burden for the federal government (averaged over the first 3 years following promulgation of this proposed action) is

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estimated to be 2,530 hours at a total annual labor cost of $141,000. Burden means the total time, effort or financial resources expended by persons to generate, maintain, retain or disclose or provide information to or for a federal agency. This includes the time needed to review instructions; develop, acquire, install and utilize technology and systems for the purposes of collecting, validating, and verifying information, processing and maintaining information, and disclosing and providing information; adjust the existing ways to comply with any previously applicable instructions and requirements; train personnel to be able to respond to a collection of information; search data sources; complete and review the collection of information; and transmit or otherwise disclose the information.

An agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a currently valid OMB control number. The OMB control numbers for the EPA's regulations in 40 CFR are listed in 40 CFR part 9.

To comment on the agency's need for this information, the accuracy of the provided burden estimates, and any suggested methods for minimizing respondent burden, the EPA has established a public docket for this rule, which includes this ICR, under Docket ID No. EPA-HQ-OAR-2013-0602. Submit any

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comments related to the ICR to the EPA and to OMB. See the **ADDRESSES** section at the beginning of this action for where to submit comments to the EPA. Send comments to OMB at the Office of Information and Regulatory Affairs, Office of Management and Budget, 725 17th Street, NW, Washington, DC 20503, Attention: Desk Officer for the EPA. Since OMB is required to make a decision concerning the ICR between 30 and 60 days after **[insert date of publication in the Federal Register]**, a comment to OMB is best assured of having its full effect if OMB receives it by **[insert date 30 days after publication in the Federal Register]**. The final rule will respond to any OMB or public comments on the information collection requirements contained in this proposal.

C. Regulatory Flexibility Act

The Regulatory Flexibility Act (RFA) generally requires an agency to prepare a regulatory flexibility analysis of any rule subject to notice and comment rulemaking requirements under the Administrative Procedure Act or any other statute unless the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities. Small entities include small businesses, small organizations and small governmental jurisdictions.

For purposes of assessing the impacts of this rule on small entities, small entity is defined as: (1) A small business that

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is defined by the Small Business Administration's (SBA's) regulations at 13 CFR 121.201 (for the electric power generation industry, the small business size standard is an ultimate parent entity with less than 750 employees). The North American Industry Classification System (NAICS) codes for the affected industry are in Table 11 below); (2) a small governmental jurisdiction that is a government of a city, county, town, school district or special district with a population of less than 50,000; and (3) a small organization that is any not-for-profit enterprise which is independently owned and operated and is not dominant in its field.

Table 11. Potentially Regulated Categories and Entities[a]

Category	NAICS Code	Examples of Potentially Regulated Entities
Industry	221112	Fossil fuel electric power generating units.
State/Territorial/Local Government	221112[b]	Fossil fuel electric power generating units owned by municipalities.

[a] Include NAICS categories for source categories that own and operate electric power generating units (includes boilers and stationary combined cycle combustion turbines).
[b] State, territory or local government-owned and operated establishments are classified according to the activity in which they are engaged.

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After considering the economic impacts of this proposed rule on small entities, I certify that this action will not have a significant economic impact on a substantial number of small entities.

The proposed rule will not impose any requirements on small entities. Specifically, emission guidelines established under CAA section 111(d) do not impose any requirements on regulated entities and, thus, will not have a significant economic impact upon a substantial number of small entities. After emission guidelines are promulgated, each affected U.S. territory establishes standards on existing sources, and it is those requirements that could potentially impact small entities. Our analysis here is consistent with the analysis of the analogous situation arising when the EPA establishes national ambient air quality standards (NAAQS), which do not impose any requirements on regulated entities. As here with regard to U.S. territories, any impact of a NAAQS on small entities would only arise when states take subsequent action to maintain and/or achieve the NAAQS through their state implementation plans. See American Trucking Assoc. v. EPA, 175 F.3d 1029, 1043-45 (D.C. Cir. 1999) (NAAQS do not have significant impacts upon small entities because NAAQS themselves impose no regulations upon small entities).

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Nevertheless, the EPA is aware that there is substantial interest in the proposed rule among small entities. As detailed in section II.D of this supplemental proposal and section III.A of the preamble to the proposed carbon pollution emission guidelines for existing EGUs (79 FR 34845-34847, June 18, 2014), the EPA has conducted an unprecedented amount of stakeholder outreach on setting emission guidelines for existing EGUs. While formulating the provisions of the June 18, 2014, proposed rule, as well as this proposed rule, the EPA considered the input provided over the course of the stakeholder outreach. Sections II.D and VI.F of this supplemental proposal and section III.B of the preamble to the June 18, 2014, proposal (79 FR 34847) describe the key issues and messages from stakeholders. The EPA invites comments on all aspects of this proposal and its impacts, including potential impacts on small entities.

D. Unfunded Mandates Reform Act

This proposed action does not contain a federal mandate that may result in expenditures of $100 million or more for state,[45] local and tribal governments, in the aggregate, or the private sector in any one year. The emission guidelines proposed under CAA

[45] "State" is defined under the Unfunded Mandates Reform Act (UMRA) as "a State of the United States, the District of Columbia, a territory or possession of the United States, and an agency, instrumentality, or fiscal agent of a State but does not mean a local government of a State."

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section 111(d) do not impose any direct compliance requirements on EGU sources. As explained in section VI.B above, the proposal also does not impose specific requirements on tribal governments that have affected EGUs located in their area of Indian country. The proposal does impose specific requirements on U.S. territory governments that have affected EGUs. Specifically, the U.S. territories are required to develop plans to implement the guidelines under CAA section 111(d) for affected EGUs. The burden for U.S. territories to develop CAA section 111(d) plans in the 3-year period following promulgation of the rule was estimated and is listed in section VI.B above, but this burden is estimated to be below $100 million in any one year. Thus, this proposed rule is not subject to the requirements of section 202 or section 205 of the UMRA.

This proposed rule is also not subject to the requirements of section 203 of UMRA because it contains no regulatory requirements that might significantly or uniquely affect small governments. Specifically, the governments with affected EGUs for which this action proposes specific requirements (i.e., the U.S. territories of Puerto Rico and Guam) are not considered small governments.

In light of the interest among governmental entities, the EPA initiated outreach with U.S. territory and tribal

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governmental entities while formulating the provisions of this proposed rule. Section III.A of the preamble to the proposed carbon pollution emission guidelines for existing EGUs (79 FR 34845-34847, June 18, 2014) describes the extensive stakeholder outreach the EPA has conducted on setting emission guidelines for existing EGUs. Section II.D of this supplemental proposal details the specific outreach that the EPA conducted to the U.S. territories with potentially affected EGUs. In addition, section VI.F of this supplemental proposal and section XI.F of the preamble to the June 18, 2014, proposed rule describe outreach to tribes and consultation with tribal officials. The EPA considered the input provided over the course of its stakeholder outreach developing the provisions of these proposed emission guidelines.

E. Executive Order 13132: Federalism

This action does not have federalism implications. It will not have substantial direct effects on the states, on the relationship between the national government and the states or on the distribution of power and responsibilities among the various levels of government, as specified in Executive Order 13132. Executive Order 13132 applies only to states, whereas this action proposes emission performance goals covering affected power plants located in the U.S. territories and in

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specified areas of Indian country.[46] Thus, Executive Order 13132 does not apply to this action.

Nevertheless, as described in section II.D of this supplemental proposal and section III.A of the preamble to the proposed carbon pollution emission guidelines for existing EGUs (79 FR 34845-34847, June 18, 2014), the EPA has conducted an unprecedented amount of stakeholder outreach on setting emission guidelines for existing EGUs. Section II.D of this supplemental proposal details the outreach that the EPA conducted to the U.S. territories with potentially affected EGUs. In addition, section VI.F of this supplemental proposal and section XI.F of the preamble to the June 18, 2014, proposed rule describe outreach to tribes and consultation with tribal officials.

In the spirit of Executive Order 13132, and consistent with the EPA's policy to promote communications between the EPA and State and local governments, the EPA welcomes comment on this proposed action from U.S. territory and tribal officials.

F. Executive Order 13175: Consultation and Coordination with Indian Tribal Governments

Subject to Executive Order 13175 (65 FR 67249, November 9,

[46] "State" or "States" are defined under Executive Order 13132 as "the States of the United States of America, individually or collectively, and, where relevant, to State governments, including units of local government and other political subdivisions established by the States."

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2000) the EPA may not issue a regulation that has tribal implications, that imposes substantial direct compliance costs on tribal governments and that is not required by statute, unless the federal government provides the funds necessary to pay the direct compliance costs incurred by tribal governments, or the EPA consults with tribal officials early in the process of developing the proposed regulation and develops a tribal summary impact statement.

The EPA has concluded that this action may have tribal implications. However, it will neither impose substantial direct compliance costs on tribal governments, nor preempt tribal law. Tribes are not required to develop or adopt CAA programs, but they may apply to the EPA for TAS and, if approved, do so. Tribes are not required to develop plans to implement the guidelines under CAA section 111(d) for affected EGUs in their areas of Indian country. To the extent that a tribal government seeks and attains TAS status for that purpose, these proposed emission guidelines would require that planning requirements be met and emission management implementation plans be executed by the tribes. The EPA notes that this proposal does not directly impose specific requirements on affected EGUs, including those located in Indian country, but provides guidance to any tribe approved by the EPA to address CO_2 emissions from EGU sources

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found subject to section 111(d) of the CAA. The EPA also notes that none of the affected EGUs are owned or operated by tribal governments.

The June 18, 2014, proposed rule and this supplemental proposal were developed after extensive and vigorous outreach to stakeholders, including tribes. Tribes were invited to participate in the national informational webinar, "Building a Common Understanding: Clean Air Act and Upcoming Carbon Pollution Guidelines for Existing Power Plants," held August 27, 2013. The EPA also held a series of listening sessions prior to development of this proposed action. Tribes participated in a session on September 9, 2013, together with the state agencies, as well as in a separate tribe-only session on September 26, 2013. In addition, an outreach meeting was held on September 9, 2013, with tribal representatives from some of the 566 tribes.

As part of the outreach to tribes, EPA representatives also met with tribal environmental staff with the National Tribal Air Association, by teleconference, on July 25, 2013, December 19, 2013, June 26, 2014, and webinars on August 4, 2014, and September 5, 2014. In those teleconferences and webinars, the EPA provided background information on the GHG emission guidelines to be developed and a summary of issues being explored by the agency. Tribes have expressed varied points of

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view. Some tribes raised concerns about the impacts of the regulations on EGUs and the subsequent impact on jobs and revenue for their tribes. Other tribes expressed concern about the impact the regulations would have on the cost of water to their communities as a result of increased costs to the EGU that provide energy to transport the water to the tribes. Other tribes raised concerns about the impacts of climate change on their communities, resources, ways of life and hunting and treaty rights. The tribes were also interested in the scope of the guidelines being considered by the agency (e.g., over what time period, relationship to state and multi-state plans) and how tribes will participate in these planning activities.

The EPA conducted outreach to tribal environmental staff and offered consultation with tribal officials in developing this action. Because this supplemental proposal would affect sources located within Indian country, the EPA offered consultation with tribal officials early in the process of developing the proposed regulation to permit tribes to have meaningful and timely input into its development. The EPA sent consultation letters to the leaders of all of the federally recognized tribes. The letters provided information regarding the EPA's development of emission guidelines for existing power plants and offered consultation. The EPA held a consultation

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with the Ute Tribe, the Crow Nation, and the MHA Nation on July 18, 2014. On August 22, 2014, the EPA held a consultation with the Fort Mojave Tribe. On September 15, 2014, the EPA held a consultation with the Navajo Nation. The Navajo Nation sent a letter to the EPA on September 18, 2014, summarizing the information presented at the consultation and the Navajo Nation's position on this supplemental proposal. One issue raised by tribal officials was the potential impacts of the June 18, 2014, proposal and this supplemental proposal on tribes with budgets that are dependent on revenue from coal mines and power plants, as well as employment at the mines and power plants. The tribes noted the high unemployment rates and lack of access to basic services on their lands. Tribal officials also asked whether the rules will have any impact on a tribe's ability to seek TAS. Tribal officials also expressed interest in agency actions with regard to facilitating power plant compliance with regulatory requirements. The Navajo Nation made the following recommendations in their letter of September 18, 2014: the Navajo Nation supports a mass-based CO_2 emission standard based on the highest historical CO_2 emissions since 1996; the Navajo Nation requests that the EPA grant the Navajo Nation carbon credits and that the Navajo Nation retains ownership and control of such credits; building block 2 is not appropriate for the

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Navajo Nation because there are no NGCC plants located on the Navajo Nation; building block 3 is not appropriate for the Navajo Nation because the Navajo people already receive virtually all of their electricity from carbon-free sources (mostly hydroelectric power) and their use of electricity is negligible compared to the generation at the power plants; building block 4 is not appropriate for the Navajo Nation because of the inadequate access to electricity, and the goal should allow for an increase in energy consumption on the Navajo Nation; the supplemental proposal should consider the useful life of the power plants located on the Navajo Nation; and the supplemental proposal should clarify that RE projects located within the Navajo Nation that provide electricity outside the Navajo Nation should be counted toward meeting the relevant state's RE goals under the Clean Power Plan.

The EPA will continue the ongoing dialogue with tribal officials regarding this proposed action. During the public comment period for this proposal, the EPA will hold meetings with tribal environmental staff to inform them of the content of this proposal, as well as offer further consultation with tribal elected officials, where it is appropriate. The EPA specifically solicits additional comment on this proposed action from tribal officials.

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G. Executive Order 13045: Protection of Children from Environmental Health Risks and Safety Risks

The EPA interprets Executive Order 13045 (62 FR 19885, April 23, 1997) as applying to those regulatory actions that concern health or safety risks, such that the analysis required under section 5-501 of the Executive Order has the potential to influence the regulation. This action is not subject to Executive Order 13045 because it does not involve decisions on environmental health or safety risks that may disproportionately affect children. The EPA believes that the CO_2 emission reductions resulting from implementation of the proposed guidelines, as well as substantial O_3 and $PM_{2.5}$ emission reductions as a co-benefit, would further improve children's health.

H. Executive Order 13211: Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution or Use

This action is not a "significant energy action" as defined in Executive Order 13211 (66 FR 28355, May 22, 2001), because it is not likely to have a significant adverse effect on the supply, distribution or use of energy. Affected EGUs in one area of Indian country are expected to meet the proposed goal based on compliance with other regulations; the impacts of meeting the proposed goals for the other two areas of Indian country were

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already accounted for in the June 18, 2014, proposal. In U.S. territories, the EPA anticipates a small degree of re-dispatch from coal- and oil-fired generation to natural gas-fired generation. It is possible that some portion of this shift away from coal- and oil-fired generation may occur in the absence of the rule, due primarily to the relatively high cost of petroleum-based fuel and electricity in these areas. For example, PREPA plans to add natural gas capacity at existing petroleum-burning plants. Additionally, both Guam and Puerto Rico are implementing Renewable Portfolio Standards programs which may contribute to implementing these goals at a different cost than projected in the RIA. The "Technical Support Document for Calculating Carbon Pollution Goals for Existing Power Plants in U.S. Territories and Areas of Indian Country" provides additional information about PREPA's planned expansion of natural gas electricity generation and the Guam and Puerto Rico Renewable Portfolio Standards programs. The EPA does not account for these existing trends in this analysis due to data limitations. Additionally, since the EPA estimated these impacts without the use of an economic dispatch model, the EPA is potentially overstating the costs of implementation in these areas.

I. National Technology Transfer and Advancement Act

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Section 12(d) of the National Technology Transfer and Advancement Act (NTTAA) of 1995 (Public Law No. 104-113; 15 U.S.C. 272 note) directs the EPA to use voluntary consensus standards (VCS) in its regulatory and procurement activities unless to do so would be inconsistent with applicable law or otherwise impractical. VCS are technical standards (e.g., materials specifications, test methods, sampling procedures and business practices) that are developed or adopted by one or more VCS bodies. The NTTAA directs the EPA to provide Congress, through OMB, explanations when the agency does not use available and applicable VCS. This proposed rulemaking does not involve technical standards.

The EPA welcomes comments on this aspect of the proposed rulemaking and specifically invites the public to identify potentially-applicable VCS and to explain why such standards should be used in this action.

J. Executive Order 12898: Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations

Executive Order 12898 (59 FR 7629, February 16, 1994) establishes federal executive policy on environmental justice. Its main provision directs federal agencies, to the greatest extent practicable and permitted by law, to make environmental

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justice part of their mission by identifying and addressing, as appropriate, disproportionately high and adverse human health or environmental effects of their programs, policies and activities on minority populations and low-income populations in the U.S.

Section II.A of the preamble to the proposed carbon pollution emission guidelines for existing EGUs (79 FR 34841-34843, June 18, 2014) summarizes the public health and welfare impacts from GHG emissions that were detailed in the 2009 Endangerment Finding under CAA section 202(a)(1).[47] As part of the Endangerment Finding, the Administrator considered climate change risks to minority or low-income populations, finding that certain parts of the population may be especially vulnerable based on their circumstances. These include the poor, the elderly, the very young, those already in poor health, the disabled, those living alone, and/or indigenous populations dependent on one or a few resources. The Administrator placed weight on the fact that certain groups, including children, the elderly and the poor, are most vulnerable to climate-related health effects.

Strong scientific evidence that the potential impacts of climate change raise environmental justice issues is found in

[47] "Endangerment and Cause or Contribute Findings for Greenhouse Gases Under Section 202(a) of the Clean Air Act," 74 FR 66496 (Dec. 15, 2009) ("Endangerment Finding").

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the major assessment reports by the U.S. Global Change Research Program, the Intergovernmental Panel on Climate Change and the National Research Council of the National Academies, summarized in the record for the Endangerment Finding. Their conclusions include that poor communities can be especially vulnerable to climate change impacts because they tend to have more limited adaptive capacities and are more dependent on climate-sensitive resources such as local water and food supplies. In addition, Native American tribal communities possess unique vulnerabilities to climate change, particularly those on established reservations that are restricted to reservation boundaries and, therefore, have limited relocation options. Tribal communities whose health, economic well-being and cultural traditions depend upon the natural environment will likely be affected by the degradation of ecosystem goods and services associated with climate change. Southwest native cultures are especially vulnerable to water quality and availability impacts. Native Alaskan communities are likely to experience disruptive impacts, including shifts in the range or abundance of wild species crucial to their livelihoods and well-being. The most recent assessments continue to strengthen scientific understanding of climate change risks to minority and low-income populations.

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This proposed rule would limit GHG emissions by establishing CO_2 emission guidelines for use in developing CAA section 111(d) plans to address CO_2 emissions from affected EGUs. In addition to reducing CO_2 emissions, implementing the proposed rule through the development of CAA section 111(d) plans would reduce other emissions from EGUs that become dispatched less frequently due to their relatively low energy efficiency. These emission reductions will include SO_2 and NOx, which form ambient $PM_{2.5}$ and O_3 in the atmosphere, and HAP, such as Hg and HCl. In the final rule revising the annual $PM_{2.5}$ NAAQS,[48] the EPA identified persons with lower socioeconomic status as an at-risk population for experiencing adverse health effects related to PM exposures. Persons with lower socioeconomic status have been generally found to have a higher prevalence of pre-existing diseases, limited access to medical treatment, and increased nutritional deficiencies, which can increase this population's risk to PM-related and O_3-related effects.[49] Therefore, in areas where this rulemaking ultimately results in reductions in exposure to $PM_{2.5}$, O_3 and methylmercury, persons with low

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[48] "National Ambient Air Quality Standards for Particulate Matter, Final Rule," 78 FR 3086 (Jan. 15, 2013).
[49] U.S. Environmental Protection Agency (U.S. EPA). 2009. *Integrated Science Assessment for Particulate Matter (Final Report)*. EPA-600-R-08-139F. National Center for Environmental Assessment – RTP Division. December. Available on the Internet at http://cfpub.epa.gov/ncea/cfm/recordisplay.cfm?deid=216546.

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socioeconomic status would also benefit. The RIA for this rulemaking, included in the docket for this rulemaking, provides additional information regarding the health and ecosystem effects associated with these emission reductions.

While there will be many locations with improved air quality for $PM_{2.5}$, O_3 and HAP, there may also be EGUs whose emissions of one or more of these pollutants or their precursors increase as a result of implementation of the proposed emission guidelines for existing fossil fuel-fired EGUs. This may occur at EGUs that become dispatched more intensively than in the past because they become more energy efficient. The EPA has considered the potential for such increases and the environmental justice implications of such increases.

As noted in the preamble for the June 18, 2014, proposal, as part of a jurisdiction's CAA section 111(d) plan, the jurisdiction may require an affected EGU to undertake physical or operational changes to improve the EGU's efficiency that result in an increase in the EGU's dispatch and an increase in its annual emissions of GHGs and/or other regulated pollutants. However, a jurisdiction can take steps to avoid increased utilization of particular EGUs and emissions of regulated pollutants whose environmental effects would be more localized around the affected EGU. To the extent that jurisdictions take

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this path, there would be no new environmental justice concerns in the areas near such EGUs. In addition, the applicable jurisdiction or federal permitting program can adjust its CAA section 111(d) plan to ensure that there are no new NAAQS exceedances and that no existing NAAQS exceedances are made worse. For those EGUs in a permitting situation for which the EPA is the permit reviewing authority, the EPA will consider environmental justice issues as required by Executive Order 12898.

In addition to some EGUs possibly being required by a jurisdiction to make modifications for increased energy efficiency, another potential effect of the proposed CO_2 emission guidelines for existing fossil fuel-fired EGUs would be increased utilization of other, unmodified EGUs with relatively low GHG emissions per unit of electrical output, in particular high efficiency gas-fired EGUs. Such plants would have more hours in the year in which they operate and emit pollutants, including pollutants whose environmental effects if any would be localized rather than global as is the case with GHG emissions. Changes in utilization already occur now as demands for and sources of electrical energy evolve, but the proposed CO_2 emission guidelines for existing fossil fuel-fired EGUs can be expected to cause more such changes. Because gas-fired EGUs emit

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essentially no Hg, increased utilization would not increase methylmercury concentrations in their vicinities. Increased utilization generally would not cause higher peak concentrations of $PM_{2.5}$, NOx or O_3 around such EGUs than is already occurring because peak hourly or daily emissions generally would not change, but increased utilization may make periods of relatively high concentrations more frequent. It should be noted that the gas-fired sources that are likely to become dispatched more frequently than at present have very low emissions of primary PM, SO_2 and HAP per unit of electrical output, such that local (or regional) air quality for these pollutants is likely to be affected very little. For natural gas-fired EGUs, the EPA found that regulation of HAP emissions "is not appropriate or necessary because the impacts due to HAP emissions from such EGUs are negligible based on the results of the study documented in the utility RTC [response to comments]."[50] In studies done by the U.S. Department of Energy's National Energy Technology Laboratory comparing cost and performance of coal- and natural gas-fired generation, they assumed SO_2, PM (and Hg) emissions to be "negligible." Their studies predict NOx emissions from a NGCC unit to be approximately 10 times lower than a subcritical or supercritical coal-fired boiler. Many are also very well

[50] 65 FR 79831.

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controlled for emission of NOx through the application of after combustion controls such as selective catalytic reduction, although not all gas-fired sources are so equipped. Depending on the specificity of the jurisdiction's CAA section 111(d) plan, the jurisdiction may be able to predict which EGUs and communities may be in this type of situation and to address any concerns about localized NOx concentrations in the design of the CAA section 111(d) program, or separately from the CAA section 111(d) program but before its implementation. In any case, existing tracking systems will allow jurisdictions and the EPA to be aware of the EGUs whose utilization has increased most significantly, and, thus, to be able to prioritize our efforts to assess whether air quality has changed in the communities in the vicinity of such EGUs. There are multiple mechanisms in the CAA to address situations in which air quality has degraded significantly. In conclusion, this proposed rule would result in regional and national pollutant reductions; however, there likely would also be some locations with more times during the year of relatively higher concentrations of pollutants with potential for effects on localized communities than would be experienced in the absence of the proposed rule. The EPA cannot exactly predict how emissions from specific EGUs would change as an outcome of the proposed rule due to the jurisdiction-led

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implementation. Therefore, the EPA has concluded that it is not practicable to determine whether there would be disproportionately high and adverse human health or environmental effects on minority, low income or indigenous populations from this proposed rule.

In order to provide opportunities for meaningful involvement early on in the rule making process, the EPA has hosted webinars and conference calls on August 27, 2013, and September 9, 2013, for the June 18, 2014, proposal specifically for environmental justice and tribal communities and has taken all comments and suggestions into consideration in the design of the emission guidelines. Additionally, after the June 18, 2014, rule was proposed, the EPA hosted public hearings in Denver, Colorado, Atlanta, Georgia, Washington, DC and Pittsburgh, Pennsylvania, from July 29-August 1, 2014. Additionally, as referenced in the public hearing section of this proposal, the EPA will also be holding a public hearing on this supplemental proposal. Also, as part of the outreach conducted for the Clean Power Plan, the EPA has created interactive maps that provide the locations of fossil fuel fired power plants covered by the proposed Clean Power Plan and summaries that describe each area's power sector CO_2 emission rates (using 2012 data) and each area's proposed emission rate goal. These interactive maps are

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available at: http://cleanpowerplanmaps.epa.gov/CleanPowerPlan/. Additionally, the public is invited to submit comments or identify peer-reviewed studies and data that assess effects of exposure to the pollutants addressed by this proposal.

VII. Statutory Authority

The statutory authority for this action is provided by sections 111, 301, 302, and 307(d)(1)(V) of the CAA, as amended (42 U.S.C. 7411, 7601, 7602, 7607(d)(1)(V)). This action is also subject to section 307(d) of the CAA (42 U.S.C. 7607(d)).

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List of Subjects in 40 CFR part 60

Environmental protection, Administrative practice and procedure, Air pollution control, Intergovernmental relations, Reporting and recordkeeping requirements.

_____.
Dated:

_____
Gina McCarthy,
Administrator.

Proposed Rule Amendment with Changes

The Environmental Protection Agency proposed rule amending 40 CFR part 60, which was published at 79 FR 34830, June 18, 2014, proposed to create a new subpart (40 CFR part 60, subpart UUUU) to include emission guidelines for greenhouse gas emissions and compliance times for existing EGUs. To facilitate understanding of the amendments to the proposed subpart UUUU being proposed in this action, the EPA is providing a Technical Support Document in the docket for this rulemaking that shows in track changes the proposed amendments to the text of the proposed subpart UUUU in the June 18, 2014, **Federal Register** publication.

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