

# *Clean Power Plan: State and Regional Perspectives*

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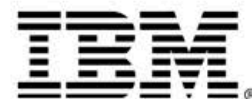
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**C2ES.ORG**



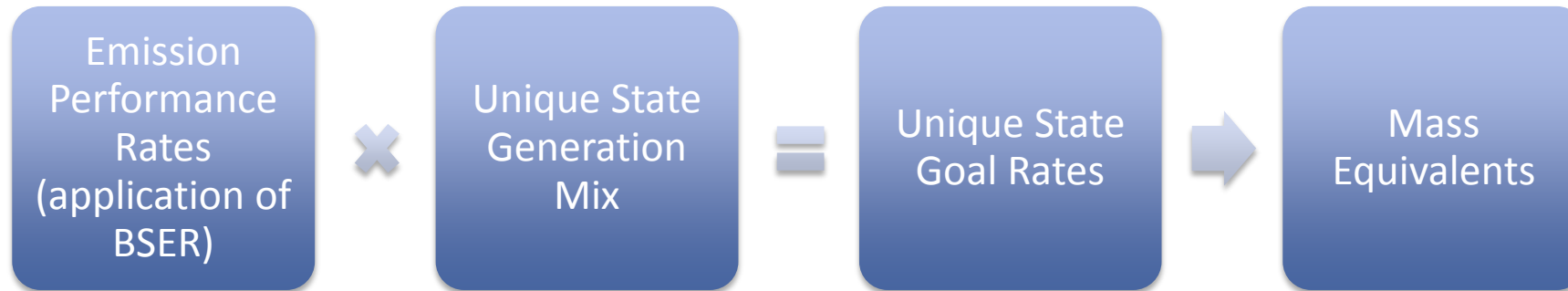
- An independent, nonpartisan, nonprofit organization working to advance policies and actions that:
  - Reduce greenhouse gas emissions;
  - Promote clean energy; and
  - Strengthen resilience to climate impacts
- Believe carbon pricing is an essential component of cost-effective climate strategy

# Business Environmental Leadership Council (BELC)



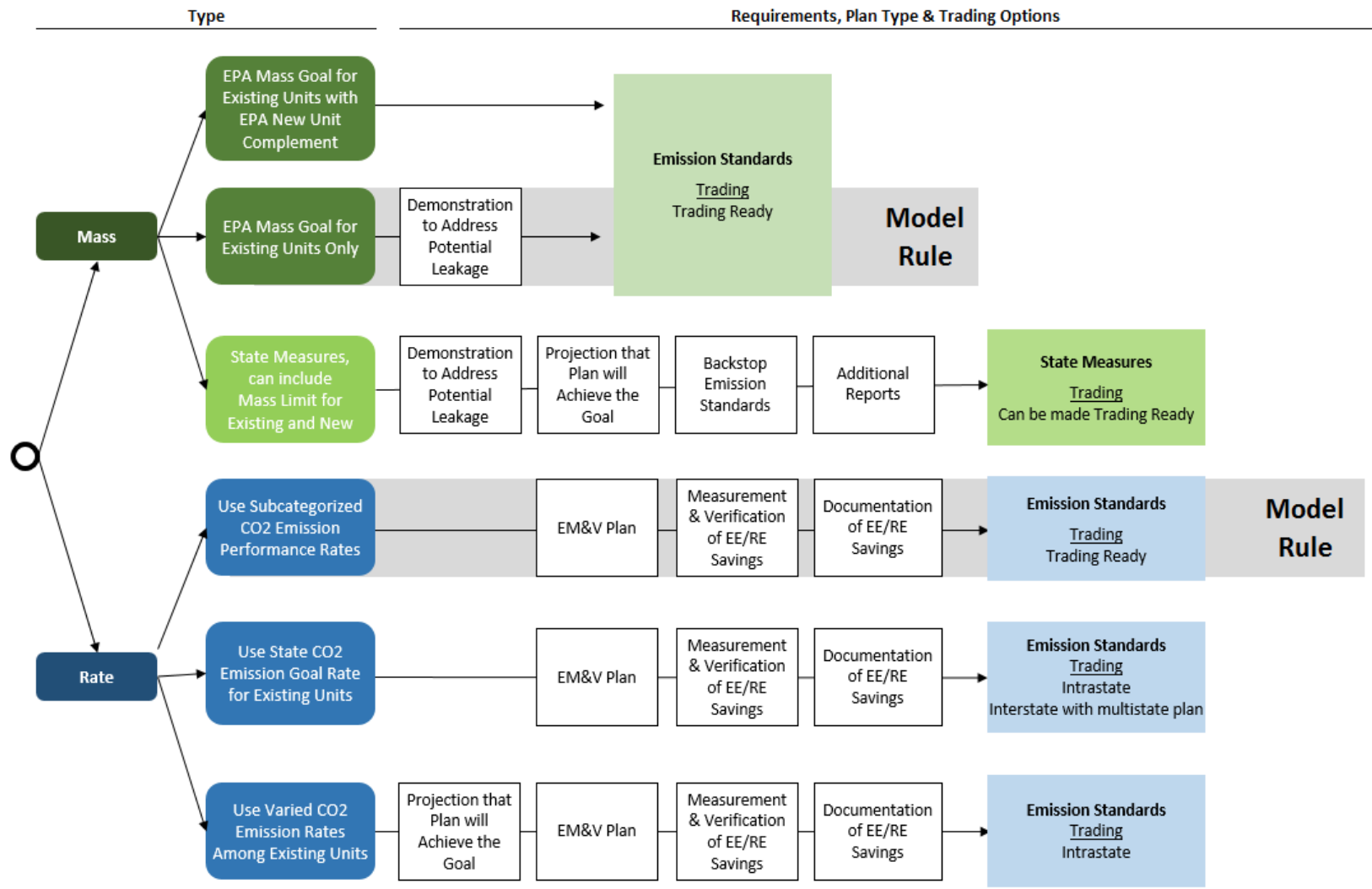


- **The Clean Air Act sets standards which the states must meet**
  - States are required to submit a plan under Section 111(d)
  - EPA must approve the plan
- **Clean Power Plan requires more coordination than other regulations**
  - Air regulator
  - Public utilities commission
  - Energy office
  - Potentially legislature
- **States must have public process**



- Power plants are subject to the same standards no matter where they are located
- EPA established CO<sub>2</sub> performance rates for existing fossil fuel-fired steam EGUs (e.g., coal and oil/gas) and natural gas combined cycle units
- Emission performance rates have been translated into equivalent state goals:
  - Rate-based goal measured in pounds per megawatt-hour (lb/MWh)
  - Mass-based goal measured in short tons of CO<sub>2</sub>
  - Mass-based goal with a new source complement (for states that chose to include new sources measured in short tons of CO<sub>2</sub>)

# State Plans: Many compliance options





- **The Solutions Forum brings together businesses, states, and cities to address three principal challenges:**
  - Employing market-based strategies to reduce carbon emissions;
  - Mobilizing innovative finance for clean energy, efficiency and other climate-related efforts; and
  - Strengthening communities' climate resilience.
- **C2ES is gathering business, state, and city leaders in a series of public and private forums around the country to explore critical issues, develop collaborative approaches, and identify practical, effective solutions.**
- **C2ES and US Conference of Mayors launched the Alliance for a Sustainable Future in June 2016**





- **Should the state choose rate- or mass-based compliance?**
- **How can states optimize their implementation plans with other regulatory challenges?**
- **How can states integrate city action into state plans?**
- **What is the proper balance between liquidity and market oversight?**
- **Are compliance costs in need of a rethink after the PTC/ITC extensions?**



## Why might a state choose rate-based compliance?



- **If more states are using rate-based compliance**
- **If modeling suggests it is the cheaper compliance option**
- **If the state has expected non-fossil generation, such as new nuclear power**
- **It can avoid some political decisions in the short term**

# Why might a state choose mass-based compliance?



- **If more states are using mass-based compliance**
- **If modeling suggests it is the cheaper compliance options**
- **If the state currently has limited non-fossil generation**
- **Administratively simple during the compliance period**
- **Potential to easily link with other programs and sources**
- **Potential to raise revenue through auctions**



- **Process in Arizona**

- Stakeholder workgroup
- Technical workgroup
- 10 Principles of an Arizona Response to the Clean Power Plan
- Regular updates from AZDEQ to all workgroups and public

# What are states doing after the stay?





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