



Bureau of Air Quality

Energy Effects of EPA's Proposed Clean Power Plan

Pennsylvania Senate Environmental
Resources and Energy Committee

Harrisburg, PA

June 27, 2014

EPA's Section 111(d) Proposal

- EPA proposed State Specific goals by 2020 and 2030
- EPA's Final rule by June 2015
- State Plans Due to EPA by June 2016
- EPA may grant extensions
 - Individual State Plans for 1 year
 - Multi State Plans for 2 Years

EPA's Section 111(d) Proposal

- EPA proposed CO2 emission reduction goals for Pennsylvania.
 - **Interim Goal by 2020**
 - 37% from 2005 level
 - 23% from 2012 level
 - **Final Goal by year 2030**
 - 44% from 2005 level
 - 31% from 2012 level

EPA's Section 111(d) Proposal

- EPA established CO2 emission targets using:
 - Coal-fired boiler heat rate improvements (assumed 6%)
 - Switching to natural gas fired units
 - Switching to additional nuclear power
 - More renewable energy
 - Energy efficiency programs (“outside the fence”)

EPA's Section 111(d) Proposal

- The EPA's Clean Power Plan makes Section 111(d) the State Energy Plan, rather than a component of the State Energy Plan.
- EPA claims that these measures represent the “Best System of Emission Reduction” (BSER) which has been “adequately demonstrated.”

EPA's Section 111(d) Proposal

- EPA proposed Pennsylvania's final goal using the following rate reduction contributions:
 - Redispatch of natural gas (11%)
 - Redispatch of additional nuclear (7%)
 - Renewable energy (43%)
 - Energy efficiency programs (27%)
 - Coal-fired heat rate improvements (11%)

EPA's Section 111(d) Proposal

- Pennsylvania's coal fleet annual capacity

| Year | Capacity Factor | Coal Consumption | Reduction in Coal Consumption from 2005 |
|------|-----------------|-------------------|---|
| 2005 | 73.4% | 43.4 million tons | N/A |
| 2012 | 54.6% | 33.0 million tons | 24% |
| 2020 | 23.7% | 12.5 million tons | 71% |
| 2030 | 16.9% | 10.5 million tons | 76% |

PA's Section 111(d) White Paper

- PA's White Paper offers a “no regrets” strategy.
 - Process efficiency improvements
 - Addresses the single greatest impediment to efficiency improvements
 - Framework is based on facilitating compliance
 - Regulates only the truly affected sources
 - CO₂ reductions achieved from other sectors

▶ PA's Section 111(d) White Paper

- PA's framework results in:
 - Cleaner air
 - A fuel diverse energy profile
 - Lower electricity prices
 - More jobs



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DEPARTMENT OF ENVIRONMENTAL PROTECTION



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