

111(D) REQUIREMENTS FOR
EXISTING FOSSIL-FUEL EGUs

NARUC Winter Committee Meetings

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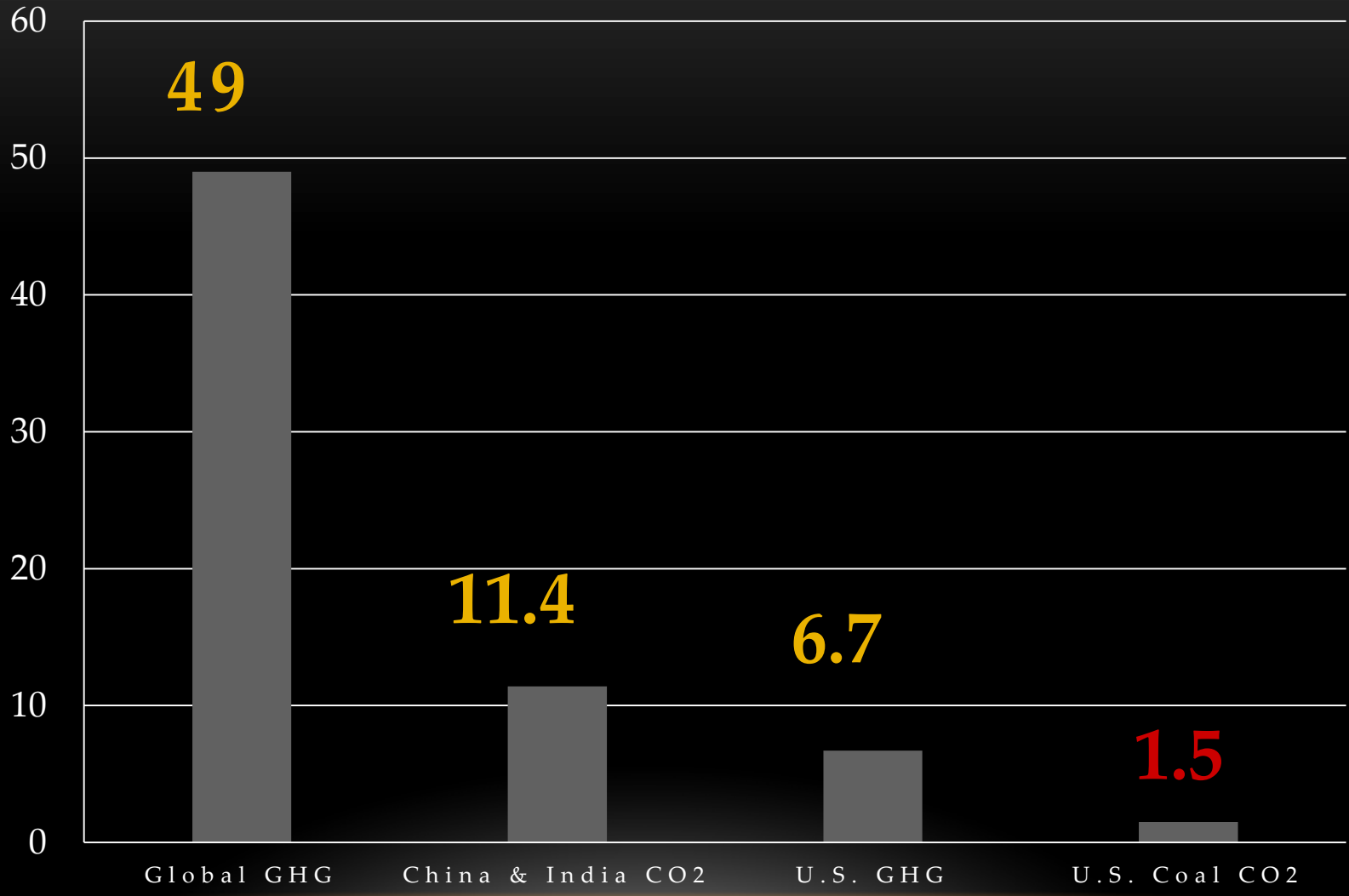
NUMBERS

- Coal responsible for 39% of electricity generated during 2013.
 - SO₂, NO_x, PM reduced by almost 90% per kWh.
 - \$118 billion invested through 2013 to reduce emissions. Additional \$27 billion expected for emission controls between 2014 and 2016.
 - 62,000 MW of coal have announced retirement by 2025 ... 51,000 MW linked to EPA policies.
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NUMBERS (CONTINUED)

- U.S. electric sector has reduced CO₂ emissions by 16 percent below 2005 levels.
- Coal fleet CO₂ emissions have declined by almost 24 percent.
- EIA projects CO₂ emissions from coal fleet will be 19 percent below 2005 levels in 2020.

GHG EMISSIONS (billion tonnes/yr)



ACCCE PRINCIPLES FOR CARBON REGULATION UNDER 111(D)

- Keep electricity affordable and reliable
 - Base requirements on what is economically achievable at each generating unit
 - Respect state primacy
 - Avoid additional premature coal retirements and stranded investments
 - Provide compliance flexibility and allow time for compliance
 - Remove barriers to efficiency improvements
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111(D) STANDARDS

- ✓ Set *inside-the-fence* standards based on what is achievable at each coal-fired and gas-fired unit. Standards should not be based on fuel switching or reduced utilization.
- ✓ Once *inside-the-fence* standards are set, allow *outside-the-fence* flexibility measures to comply.

SOME IMPACTS OF A SYSTEM-BASED PROPOSAL

Consumer costs	\$116 Billion to \$151 Billion
Coal retirements	35,000 MW to 83,000 MW
Cost of natural gas for non-electric sectors	\$8 Billion to \$54 Billion
Job losses	Less than 1,000/yr to 178,000/yr
Electric sector CO₂ reduction	12% to 23%

A FEW MAJOR POLICY CONSIDERATIONS

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- ✓ Fuel diversity
 - ✓ Reliability/deliverability
 - ✓ Compliance costs
 - ✓ Energy price increases
 - ✓ Stranded investments
 - ✓ Climate change benefits
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