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For a thriving New England

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December 1, 2014

Via online form

Janet McCabe, Acting Assistant Administrator
Office of Air and Radiation
Environmental Protection Agency
1200 Pennsylvania Avenue, NW.
Washington, DC 20460

**RE: Docket No. EPA-HQ-OAR-2013-0602, Proposed Rule, Carbon Pollution Emission Guidelines for Existing Stationary Sources: Electric Utility Generating Units**

Dear Ms. McCabe,

The Conservation Law Foundation ("CLF") appreciates the opportunity to comment on the Clean Power Plan, 79 Fed. Reg. 34,829 ("proposed rule").

Founded in 1966, CLF is a member-supported environmental advocacy organization that works to solve the problems threatening the natural resources and communities of New England. CLF has a long history of engagement with clean air regulation and stationary sources of air pollution at the state, regional, and national level as well as broader efforts to control greenhouse gas ("GHG") emissions.

It is unquestionable that GHG emissions from existing Electric Utility Generating Units ("EGUs") must be dramatically curtailed. The IPCC's latest Synthesis Report delivers the stark prognosis: without robust GHG emissions mitigation efforts, we will see "severe, widespread, and irreversible" global impacts by the end of this century, including worsening extreme weather events, "substantial species extinction, global and regional food insecurity, consequential constraints on common human activities, and limited potential for adaptation in some cases."[1]

[1] Intergovernmental Panel on Climate Change, Climate Change 2014 Synthesis Report, at 18 (Nov. 2014), *available at* http://www.ipcc.ch/pdf/assessment-report/ar5/syr/SYR_AR5_LONGERREPORT.pdf.

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The proposed rule is a crucial first step for the US in the effort to mitigate GHG emissions, but it must be strengthened and accompanied by other regulatory actions.[2]

1. **The Final Rule must adequately value and incentivize renewable generation and energy efficiency.**

The least cost pathway to compliance with the rule will be increased deployment of renewable generation and energy efficiency, including demand response.[3] Building Blocks 3 and 4 are critical to EPA's approach under either alternate structure, in order to properly incentivize development and use of renewable energy sources and energy efficiency resources.[4] However, EPA's analysis of wind and solar generation for BB3 (using either alternate proposed framework) dramatically overstates the current costs associated with these resources and is overly conservative in estimating states ability to increase their renewable portfolios. The final rule must reflect current cost data (and deployment rate data) for renewable generation and more aggressive targets on a state-by-state basis.

Similarly, in Building Block 4 EPA understates the achievable annual savings from energy efficiency. As EPA acknowledges, energy efficiency has been shown to be significantly lower in cost than electric generation.[5] While the proposed rule itself discusses the numerous tools available to states to enhance energy efficiency, such as building energy codes, state appliance standards, tax credits, and benchmarking requirements for building energy use as part of the complementary mix of energy efficiency efforts, the savings rate target appears to include only traditional energy efficiency programs. Moreover, the proposed rule assumes relatively limited and moderate growth in these programs despite their demonstrable success and their status as the least-cost option. The rule also overstates the cost of energy efficiency implementation and includes too slow an implementation rate for expansion of energy efficiency efforts in states. The final rule must take into account achievable savings from complementary efficiency efforts as well as energy efficiency programs, must project a faster implementation rate for energy efficiency efforts, and must reflect realistic cost data for energy efficiency. It is also important that the final rule reflect a formula that adequately counts the effects of renewable generation and energy efficiency on fossil generation, as proposed in the October 27, 2014 Notice of Data Availability.

[2] For example, to the extent that currently operating mass-based emissions trading programs are contemplated as a compliance option for states, EPA should also require emissions rate reductions at existing fossil fuel affected units.
[3] The term "demand response" as used in this letter necessarily excludes fossil fuel-powered demand generation, which is sometimes included in demand response programs.
[4] Proposed rule at 34,871 (discussing role of demand reduction in changing economic incentives for generation).
[5] *Id.* at 34871, n. 172.

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Finally, Building Block 4 should explicitly incorporate all proven and useful demand-side emissions reduction strategies. Demand response and load management are proven, low cost tools that reduce the need for dispatch of inefficient EGUs and facilitate the effective use of renewable generation.[6] Demand response and load management should be explicitly included in Building Block 4's definition.

2. **The Final Rule must facilitate natural gas as a bridge fuel with an off-ramp, rather than entrenching it in our energy system.**

The rule's reliance on switching and co-firing with natural gas, while necessary to set effective targets lower than emissions rates achieved at coal plants today, is troubling in the absence of strong regulation of emissions over the life cycle of natural gas. Natural gas combustion still emits significant GHGs (around half that of coal combustion).[7] Further, natural gas production, transmission, and distribution involve significant emissions of methane, which is 34 times more potent than carbon dioxide on a 100-year time frame and 70 times more potent than carbon dioxide on a 20-year time frame.[8] This rule must be accompanied by a strong rule limiting methane emissions from natural gas development and action to reduce leaks in the transportation and distribution systems.

* * *

The necessary, minimum reductions in GHGs that our country must make in order to have any impact on the rate of climate change are impossible to achieve in an energy system that relies primarily on fossil fuel generation, whether coal or natural gas. CLF urges EPA to adopt the Clean Power Plan, with the strengthening measures outlined above.

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[6] *See generally* Synapse Energy Economics, Demand Response as a Power System Resource (May 2013), available at http://www.synapse-energy.com/sites/default/files/SynapseReport.2013-03.RAP_.US-Demand-Response.12-080.pdf.

[7] *See, e.g.*, Union of Concerned Scientists, Gas Ceiling: Assessing the Climate Risks of an Overreliance on Natural Gas for Electricity (Sept. 2013), *available at* http://www.ucsusa.org/sites/default/files/legacy/assets/documents/clean_energy/climate-risks-natural-gas.pdf.

[8] Climate Change 2013, The Physical Science Basis, The Working Group I Contribution to the IPCC Fifth Assessment Report, 8-58, Table 8.7, *available at* http://www.climatechange2013.org/images/uploads/WGIAR5_WGI-12Doc2b_FinalDraft_All.pdf.

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Thank you for the opportunity to comment.

Sincerely,

Caitlin Peale Sloan
Staff Attorney