What I Will Cover

- Who We Are
- State Reactions to the Final Clean Power Plan Rule
- How States Are Working With Stakeholders
- Where States Stand in Meeting Their Emissions Targets
- State Choices
- NACAA’s Model State Plan
- Consequences of “Just Saying No”
Who We Are

- National association of air pollution control agencies, located in Washington, D.C.
- 41 state agencies, Washington, D.C. and 3 territories
- 116 (of 117) local agencies
- These air pollution control agencies are given “primary responsibility” under the Clean Air Act for implementation
- They are responsible for developing and implementing the states’ compliance strategies under EPA’s Clean Power Plan
State Reactions to the Final CPP Rule

- What States Generally Like
  - Retains 2030 compliance deadline
  - Establishes a new interim compliance period; delays the start until 2022, thereby eliminating the 2020 “cliff”
  - Extends the deadline for submitting plans by two years
  - Provides for a “reliability safety valve”
  - Creates “trading-ready” plan options
  - Sets more equitable state goals
CPP State Emission Rate Targets (Proposed vs. Final Targets)
Differences in Proposed and Final CPP State Emission Rate Targets

NACAA
national association of clean air agencies
Reactions to the Final CPP Rule

Where States Have Some Concerns

- Plan submittal deadlines may be challenging where state legislatures meet irregularly (e.g., every two years)
- States are not directly credited for early actions
- Some state targets may be difficult to attain
- The CPP remains complex and will require substantial analysis
- States will need additional resources to effectively implement the program; Congress has been resistant to funding this program
How States are Working With Stakeholders

- In developing the CPP rule proposal, EPA engaged in unprecedented outreach among stakeholders, particularly states.
- Most states used this opportunity to develop new relationships among environmental, utility and energy regulatory officials and with other stakeholders.
- This has carried through to the final rule; states (e.g., CO, MN, PA) have already initiated stakeholder meetings in recent weeks and are continuing to plan public meetings.
- NACAA continues to engage with NARUC and NASEO, as “3-N”, and with other groups.
Where States Stand in Meeting Their Emissions Targets

- Nine states have 2030 mass-based targets that are greater than their 2012 emissions baselines.
- Over 30 states are already halfway toward meeting their 2022 interim goals, while 20 states are already halfway toward achieving their 2030 targets.
- This progress can be attributed to already existing measures, such as renewable portfolio standards, energy efficiency resource standards, and announced retirement of coal-fired power plants.
- Remaining states may have more work to do, but there are tools to help, such as NACAA’s Menu of Options (4cleanair.org).
Comparison of 2012 Emissions Baselines to 2030 Mass-Based Targets

Short Tons of CO₂ (Thousands)

Washington, California, New Jersey, Oregon, Colorado, Maine, Virginia, Rhode Island, New Hampshire, Massachusetts, Nevada, New Mexico, Minnesota, Montana, Louisiana, Nebraska, Arkansas, South Carolina, Colorado, Oklahoma, North Dakota, Tennessee, Iowa, Florida, Wisconsin, Georgia, South Carolina, Michigan, Kentucky, Ohio, Indiana, Texas
State Choices

- States have significant flexibility in developing their plans; their ultimate decisions will be based largely on:
  - Pursuing least-cost options
  - Avoiding overly complicated plan types
  - Preserving state autonomy
  - Minimizing exposure to federal enforceability (e.g., energy efficiency)
  - Engaging with other states in regional solutions

- Each of these choices, as well as others not identified here, have implications for the type of pathway a state chooses
NACAA’s Model State Plan

- NACAA is developing a Model State Plan to help states comply with EPA’s Clean Power Plan
- The Model will accommodate a series of potential compliance pathways, such as rate-based, mass-based, single state and multi-state compliance options
- It will be more expansive than EPA’s proposed model rules, which cover only two pathways
- The NACAA Model will include:
  - chapters on specific mitigation measures, inside and outside of EPA’s three building blocks
  - detailed regulatory and preamble language for each pathway
- We expect to publish the Model before the end of the year
Consequences of “Just Saying No”

- States that “just say no” will be automatically subjected to a Federal Plan.
- These states lose the opportunity to weigh the pros and cons of different plan pathways.
- Federal plans provide fewer compliance options, create additional uncertainty and impose higher costs and less cost-effective solutions.
- Stakeholders, particularly groups representing electric generating units, have generally preferred state compliance plans over Federal Implementation Plans.
Conclusions

- EPA conducted an unprecedented level of stakeholder involvement in developing the CPP and addressed many of the states’ concerns; however, challenges remain.
- Notwithstanding some Congressional opposition and the threat of litigation, state regulatory agencies are moving ahead in good faith to develop state compliance plans rather than face a Federal Implementation Plan.
- States are already conducting stakeholder meetings, and are beginning to analyze various potential compliance options;
- NACAA’s implementation tools should be an important resource for states and other stakeholders
  - NACAA’s Menu of Options
  - NACAA Model State Plan
For Further Information

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