

EPA imposes costly power plan on Tennessee, all states

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(Photo: Submitted)

American households and businesses currently reaping the benefits of low oil prices may soon lose them to higher electricity bills. For this, we can thank an Environmental Protection Agency (EPA) plan designed to replace low cost power supplies with more expensive and less reliable ones.

A growing number of energy experts, including overseers of the Nation's electricity grid, regional power transmission authorities, power plant operators and energy economists are all warning that the EPA Clean Power Plan will lead to higher energy bills for Tennessee's consumers and a less reliable electricity grid for the country.

The North American Electric Reliability Corporation (NERC) — an international regulatory body charged with assessing the adequacy of our electric power system — says implementing EPA's plan will be difficult, if not impossible, without weakening the reliability of the electricity supply. That's because states are asked to reduce their use of affordable electricity and transform their electricity grid based on four wholly unrealistic assumptions about future energy demand, shifts in sources of electricity generation, adding more variable

power sources and reduced energy use. EPA ironically calls these "building blocks" but experts say they actually cause the plan to crumble.

For example, NERC found EPA underestimated the number of power plants that will be closed by its new emissions standards — and overestimated the amount of both new power sources and energy efficiency it hopes will offset the power generation lost. EPA may be content to just guess whether the lights will stay on or go out but the rest of us should demand certainty.

Meanwhile, regional power authorities across the country are sounding alarms too. The Southwest Power Pool warns EPA's plan will result in cascading outages and voltage collapse in six of the eight states where it operates the electric grid. The Midcontinent Independent System Operator forecasts that the power reserves needed for 15 Midwestern states will fall below safe margins by 2016, and fall further after that.

Because EPA uses an overly simplistic analysis of what is actually possible in the real world, engineers at the Electric Power Research Institute predict the agency's plan will result in a less diverse and increasingly degraded grid — the same grid American households and industries rely on for essential electric power. American Electric Power, one of the largest electric utilities, echoed this dire forecast after its tests predicted similar outcomes.

Then there are the costs. Energy economists say that replacing more affordable sources of electricity with costlier and less reliable ones means EPA's Clean Power Plan will become the Costly Power Plan.

That's what Tennessee may call it. When independent economic consultants recently examined EPA's plan, they found Tennessee's retail electricity costs would spike as high as 18 percent when already more than half of the state's households spend 20 percent of their after-tax income on energy.

Tennessee's industries will pay another \$116,000 per year for power, putting manufacturing jobs at risk. As coal use declines, demand for other energy sources to fill the gap will raise Tennessee's natural gas costs by more than one billion dollars over ten years. Studies examining two broad options for implementing the EPA plan found the result was the same. The choice is between dumb and dumber. There are no low cost options being offered.

More disturbing than these warnings may be the Obama administration's determination to ignore them. Despite fears of what lies ahead, the EPA is blithely steering the nation's electricity supply into the dark at high speed, wholly in denial about the costs. Icebergs lie dead ahead, yet EPA stays the course, risking a titanic crisis.

The nation's governors don't have that luxury. Long after this administration is gone from office, state officials will be left to explain power outages and higher utility bills to their constituents.

Roman emperors made their architects sleep under the bridges they built, just to be sure. Today, the nation's governors are being asked to sleep under the bridges EPA builds. That should keep governors awake at night.

Hal Quinn is president and CEO of the National Mining Association, a nationwide trade group representing the U.S. mining industry based in Washington D.C.

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