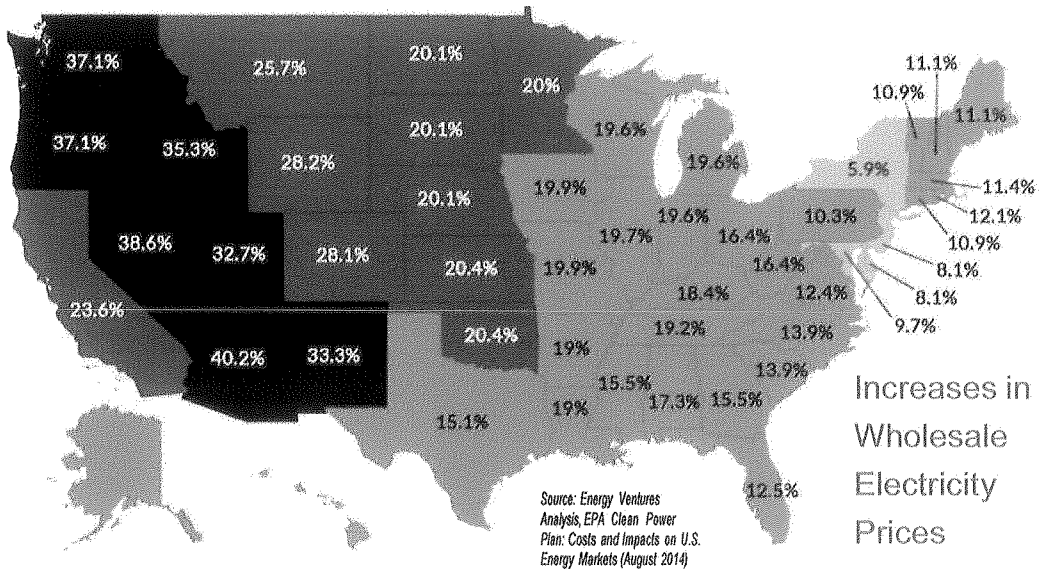
EPA Clean Power Plan

EPA Power Plant Carbon Regulations Increase Costs, Jeopardize Reliability

The U.S. Environmental Protection Agency (EPA) has proposed sweeping regulations requiring states to reduce carbon dioxide emissions from the electricity sector by an average of 30 percent nationally. The EPA proposal is a stunning attempt to remake the nation's electric grid by eliminating low cost and reliable electricity and replacing it with more expensive and less reliable sources. The proposal will increase energy costs, suppress economic growth and jeopardize the reliability of the electric grid that is already close to the edge.

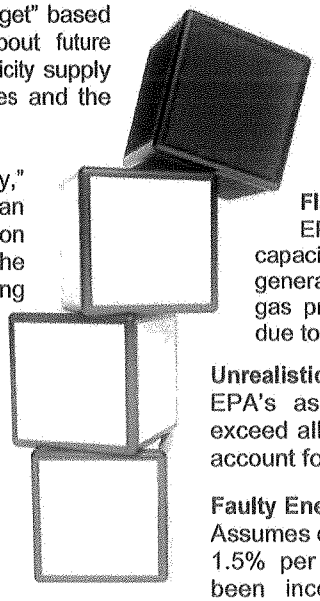


EPA's GHG "Building Blocks" for States Don't Stack Up

Each state is prescribed an "electricity budget" based on a complex web of assumptions about future electricity demand, dramatic shifts in electricity supply sources, the addition of intermittent sources and the reduction of energy use.

EPA claims that it affords states "flexibility," but in reality EPA's plan places states in an "energy straightjacket." The emission targets for each state are firm, but the options, or building blocks, for meeting them are weak and unworkable.

As each "building block" crumbles under the weight of unrealistic assumptions, it places unsustainable pressure on the remaining ones. EPA's plan cannot be fixed - the math simply does not work. State implementation of the plan would risk the economic and energy security of its citizens.



Power Plant Efficiency Improvements by 6% Flawed assumption based on statistical manipulation of data and an outdated study. Coal plants currently operate at optimal efficiency.

Flawed Gas Generating and Price Projections
EPA projects NGCC operating at consistent 70% capacity factor will displace substantial coal generation. Increased gas generation will increase gas prices and result in bottlenecks in gas delivery due to insufficient pipeline infrastructure.

Unrealistic Estimates for Renewable Expansion
EPA's assumptions for increased renewables far exceed all government projections. EPA also fails to account for permitting, financing and transmission.

Faulty Energy Efficiency Saving Analysis
Assumes each state can improve efficiency savings by 1.5% per year. These improvements have already been incorporated into utility systems. Additional savings can only be achieved by suppressing economic growth.