

# **EPA's Clean Power Plan**

**Proposed federal rule to reduce CO<sub>2</sub> from power plants**

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# EPA's Clean Power Plan Proposal

- Reduces CO<sub>2</sub> from existing power plants
- 30% CO<sub>2</sub> reduction by 2030
- Section 111(d) of the Clean Air Act



# Timeline

- **Rule proposal:** June 2014
- **Final rule:** Summer 2015
- **State plans due:** Summer 2016
  - 1 year extension if state legislation is required
  - 2 year extension if working with other states

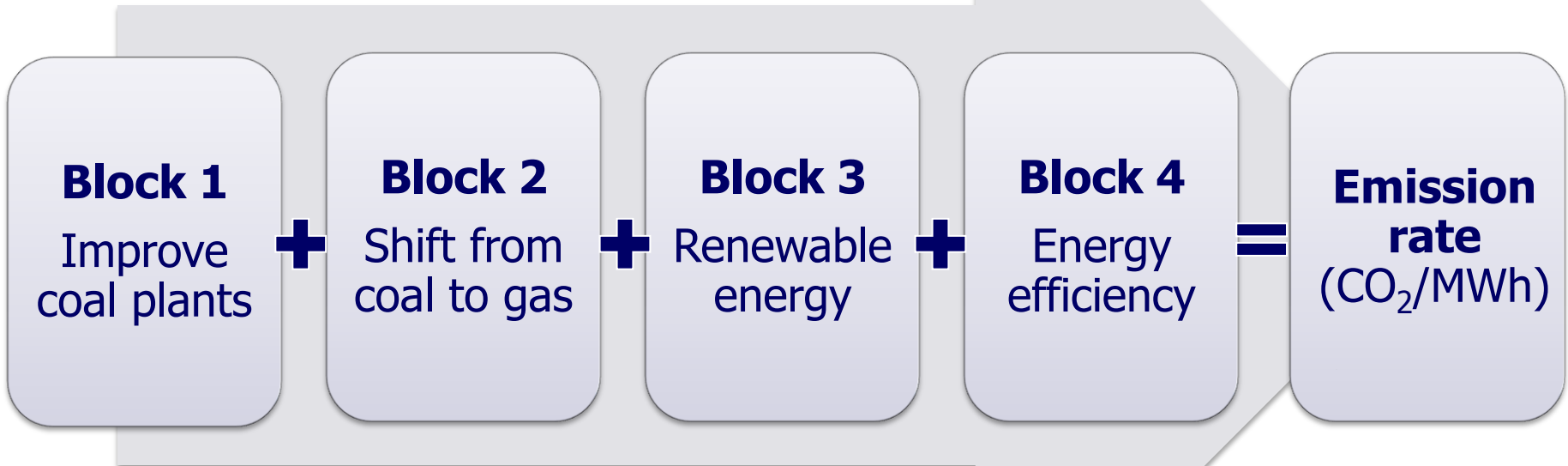
# Stakeholder coordination

- Oregon stakeholder groups:
  - Private utilities
  - Public utilities
  - Independent power producers
  - Environmental and rate-payer interest groups
- Regional and national coordination
  - Bonneville Power Administration (BPA)
  - Northwest Power Conservation Council
  - Western states
  - Georgetown Climate Center

# Process

1. EPA develops national emission guideline
  - “Best System of Emission Reduction”
2. EPA applies guideline to each state, producing state-specific emission goals
  - Reduction in emissions/generation from 2012 rate
3. Each state develops a plan for meeting its CO<sub>2</sub> reduction goals
4. EPA reviews and approves plans
5. Compliance begins 2020 and total reductions by 2030

# Proposed Emission Guideline



- **Oregon's 2012 emission rate:** 717 lbs. CO<sub>2</sub>/MWh
- **Oregon's goal by 2030:** 372 lbs.
  - 48% reduction

# Possible compliance options

- Block 2: Shift from coal to gas
  - Cease coal operations at Boardman
- Block 3: Renewable Energy
  - Renewable Portfolio Standard
- Block 4: Energy Efficiency
  - Energy Trust of Oregon
  - Bonneville Power Administration

# Oregon Comments to EPA

- Developed jointly by DEQ, ODOE, PUC
- Support for EPA's general approach
  - National greenhouse gas regulation
  - Defines the power system broadly
- Recommendations on specific elements of the proposal
- Comments posted on DEQ website:  
[www.deq.state.or.us/aq/climate/co2standard.htm](http://www.deq.state.or.us/aq/climate/co2standard.htm)



# Oregon power sector

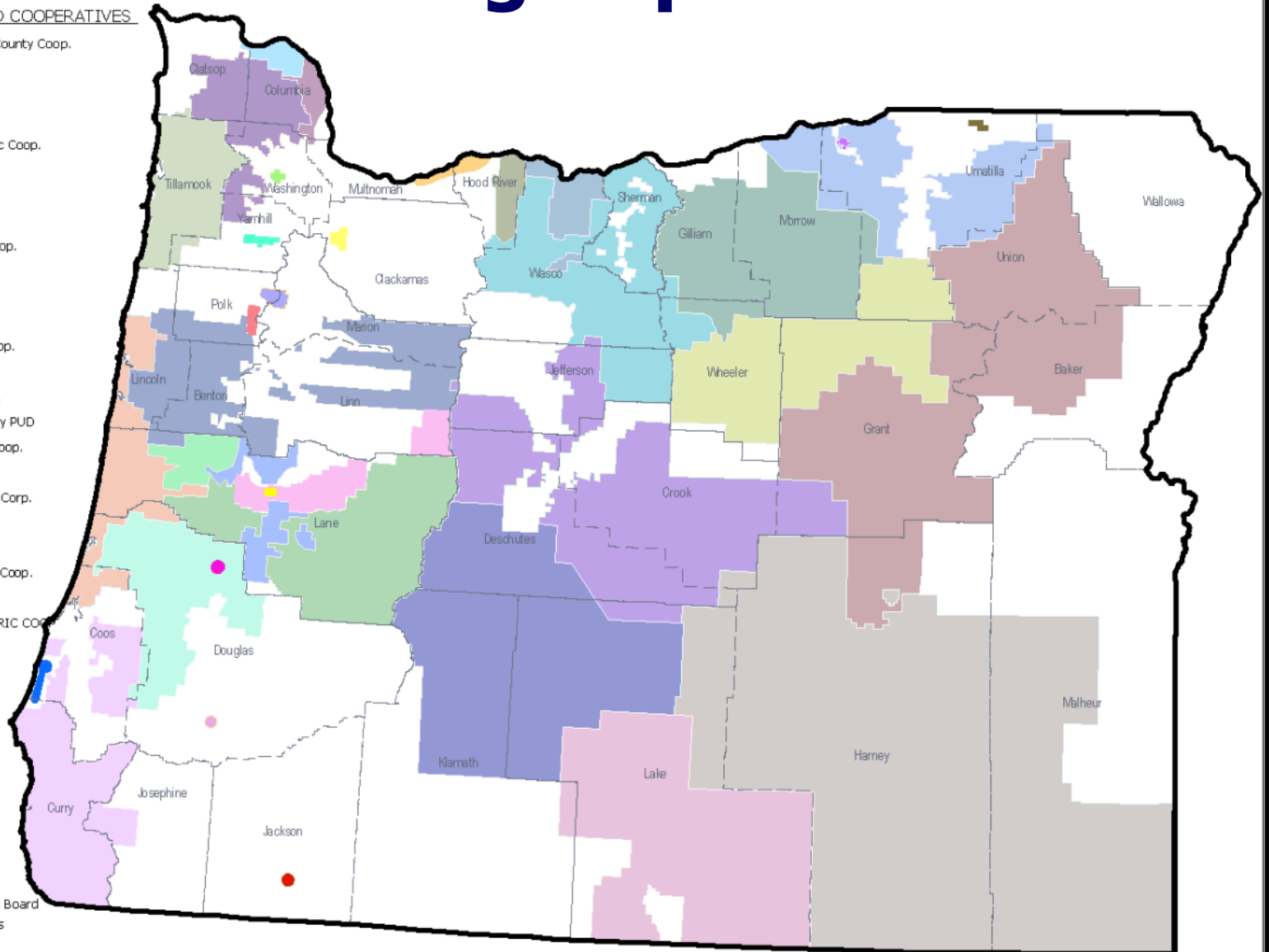
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## PUBLIC UTILITIES AND COOPERATIVES

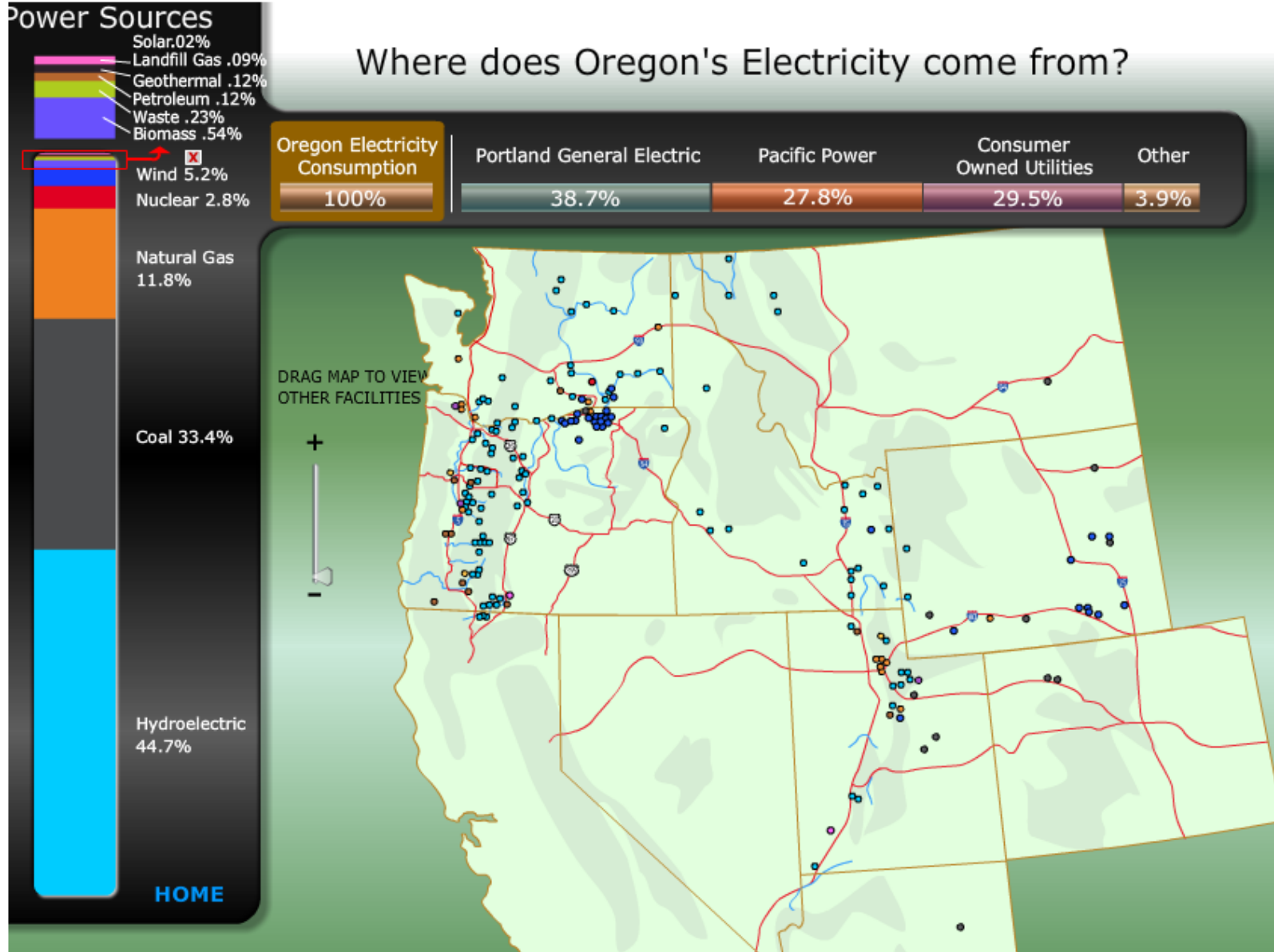
- Blachly-Lane Electric County Coop.
- Central Electric Coop.
- Central Lincoln Coop.
- Clatskanie PUD
- Columbia Basin Electric Coop.
- Columbia Power Coop.
- Columbia River PUD
- Consumers Power
- Coos-Curry Electric Coop.
- Douglas Electric Coop.
- Emerald PUD
- Harney Electric Coop.
- Hood River Electric Coop.
- Lane Electric Coop.
- Midstate Electric Coop.
- Northern Wasco County PUD
- Oregon Trail Electric Coop.
- Salem Electric
- Surprise Valley Electr. Corp.
- Tillamook PUD
- Umatilla Electric Coop.
- Umpqua Indian Utility Coop.
- Wasco Electric Coop.
- WEST OREGON ELECTRIC COOP.

## MUNICIPALITIES

- Canby Utility Board
- City of Ashland
- City of Bandon
- City of Cascade Locks
- City of Drain
- City of Forest Grove
- City of McMinnville
- City of Milton-Freewater
- City of Monmouth
- Eugene Water and Electric Board
- Hermiston Energy Services
- Springfield Utility Board



# Oregon power sources



# Renewable Energy

- EPA proposal: emission reductions from renewables credited to states that implement policies (e.g. RPS), even if emission reduction occurs elsewhere
  - Ensures ratepayers supporting renewables receive benefit
  - Incentivizes states to develop renewable policies
  - Could leverage existing tracking system (WREGIS)
- **OR Recommendation: credit renewable energy based on where it is consumed, rather than where it is generated**

# Energy Efficiency

- Energy efficiency is the most cost-effective compliance tool
- Major concerns with EPA's approach which may not allow Oregon to receive credit for all of its efficiency
- **OR Recommendation: allow the state that invests in energy efficiency to receive credit for the full range of emission reductions.**

# Other Energy Efficiency Issues

- Credit for full range of Oregon's energy efficiency measures
  - Codes, standards, and market transformation
  - Energy efficiency in consumer-owned utility territory
- **OR Recommendation: EPA should allow states to receive credit for the full range of energy efficiency measures**

# Multi-state agreements

- EPA is supportive of multi-state plans, but more clarity is needed
- Many types of multi-state arrangements may present low-cost emission reduction opportunities
- **OR Recommendation: EPA should clarify that states may cooperate regionally without blending state goals into a regional goal, expand multi-state options and allow related updates to state plans at a later date**

# Next Steps

- Continue dialogue with EPA staff
- Continue joint-agency coordination
- Stakeholder outreach on compliance options
- Final EPA rule this summer
- Develop state plan with input from stakeholders
- Rule making process with Environmental Quality Commission
- Committed to updating legislature

# Questions?

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