

EPA's Clean Power Plan

**Proposed federal rule to reduce CO₂ from
power plants**

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EPA's Clean Power Plan Proposal

- Reduces CO₂ from existing power plants
- 30% CO₂ reduction by 2030
- Section 111(d) of the Clean Air Act



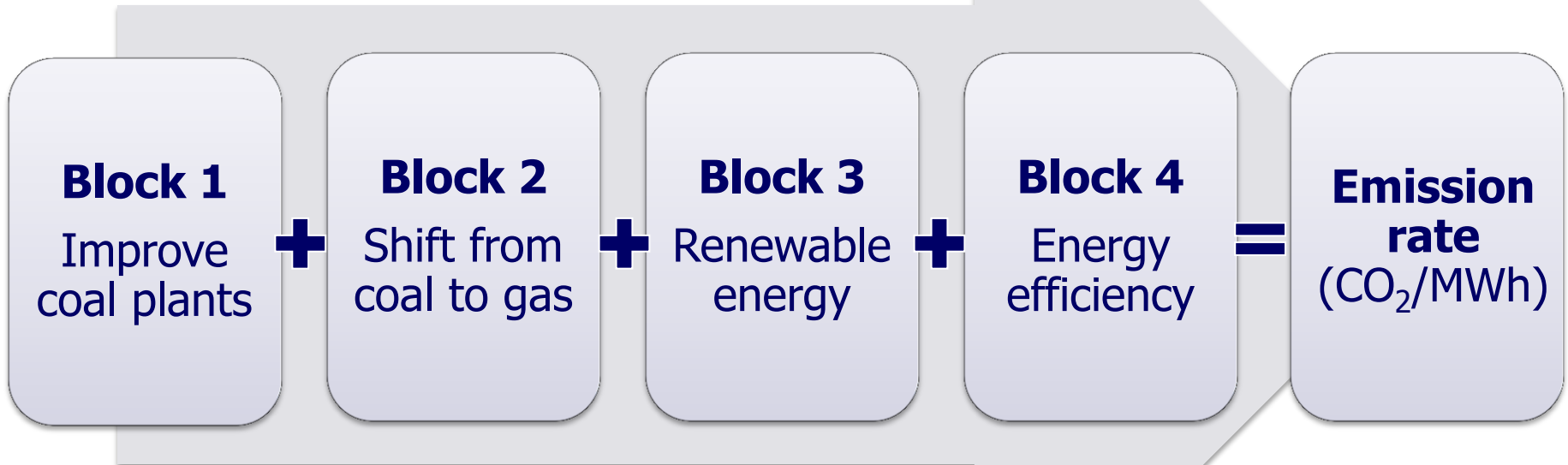
Timeline

- **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

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 CO₂ 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. CO₂/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 Comment Letter 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
 - Crediting renewable energy
 - Crediting energy efficiency

Comments to EPA: Renewable Energy

Recommendation: credit renewable energy based on where it is consumed

- Ensures ratepayers supporting renewables receive benefit
- Incentivizes states to develop renewable policies
- Could leverage existing tracking systems

Comments to EPA: Energy Efficiency

Recommendation: allow states that invest in energy efficiency to receive credit for the full range of emission reductions

- EPA proposed different methods for crediting efficiency
- One proposal would not allow Oregon to receive credit for much of our efficiency
- EPA should incentivize energy efficiency by affording compliance credit to states making the investments

Next Steps

- Continue joint-agency coordination
- Stakeholder outreach on potential compliance options
- Final EPA rule this summer
- Develop state plan with input from stakeholders
- Rule making process with Environmental Quality Commission
 - Other state agency rules/approvals?
 - Legislation?