

ELCON PRESS RELEASE

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Statement of John Anderson, President of the Electricity Consumers Resource Council (ELCON), Following EPA's Release of the Final Rule on Emission Levels for Existing Power Plants, August 3, 2015

EPA just doesn't get it.

Forget for a moment about the legal question – whether EPA has the authority to issue a rule under Section 111(d) of Clean Air Act directing states to formulate plans to reduce carbon emissions from existing power plants. The best legal minds in the country are divided on that issue, with many concluding that, in fact, EPA has overstepped its lawful role.

EPA does not realize that the main problem with the proposed Clean Power Plan is not the timing. The main problem is the real world impact.

By promulgating a rule that will totally reconfigure how electricity is generated and transmitted to America's homes and businesses, EPA – which has minimal technical expertise in this area – has created a multitude of doubts among a variety of electricity industry stakeholders, many of whom, I might add, have considerable technical expertise. Whether or not our interstate electricity grid can maintain the reliability needed to keep America operating when the Clean Power Plan is fully operational is a valid question that remains unanswered. Until we have answered the “grid reliability” question, giving states more time to comply with emission standards is unimportant.

Similarly, EPA's assurances that electricity costs will go down when the CPP is fully implemented seem like an empty boast. There have been numerous studies done on how the CPP will affect electricity prices and costs. The results are all over the lot, with the only agreement being that there will be lots of regional variation. ELCON members, who are among the nation's largest electricity users and are at the core of America's manufacturing base, need greater certainty. You cannot operate multi-billion dollar manufacturing plants in today's international markets without at least a rough idea of what your power costs are going to be. But that is, in essence, what EPA is putting forth. Giving states a few more years to comply with the new standards does not help in the least.

EPA really should go back to square one. They need to consult with the experts at the North American Electric Reliability Corporation and the Regional Entities to determine the impact on reliability. And they need to look closely at the cost impact so that large and small consumers don't arrive at a point where they might have slightly cleaner air, but they will certainly have significantly higher electricity bills. Extending the compliance timetable by a few years does not address these very real problems in any significant way.

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ELCON, established in 1976, is the national association of large industrial users of electricity from virtually every manufacturing sector. ELCON members seek a reliable supply of electricity at competitive prices and have long supported federal and state efforts to achieve that objective. More information about ELCON is available at ELCON's website, www.elcon.org.