



COMMONWEALTH OF KENTUCKY
OFFICE OF THE GOVERNOR

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May 30, 2013

Honorable Bob Perciasepe
Acting Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, DC 20460

Dear Administrator Perciasepe:

It was good to meet and talk with you last week. To reiterate the points I made, I am writing to express my concern about the plans of the Environmental Protection Agency (EPA) to issue greenhouse gas (GHG) new source performance standards for new coal, oil, and natural gas electric generating sources. The proposed rule will set a standard that is unprecedented under the Clean Air Act by requiring all three fuel types to meet a single standard. I urge you to consider an alternative approach that would address GHG emissions in a manner that will allow the country to continue using its fossil resources in an affordable and practical manner, and that will encourage innovation and investment into cleaner fossil technologies.

If these proposed regulations are made final, the rule will effectively ban new coal generation and prevent the nation from further development of more efficient, advanced coal generation technologies. While the proportion of the nation's electricity that comes from coal has diminished in recent years, coal is still a major resource for the nation, with 30 states relying on coal for 25 percent or more of their electricity generation, and 15 of these relying on coal for more than 50 percent of their generation. Coal has provided affordable and reliable power for the nation as a whole, allowing a vibrant manufacturing industry to prosper. At the same time, our nation's ability to reduce emissions from coal-fired generation has been a tremendous success. In Kentucky alone, the electric power sector has reduced nitrogen oxide emissions by 75 percent since 1990 and sulfur dioxide emissions by 72 percent within the same timeframe. In other words, we've been able to expand our economy *and* reduce emissions.



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Our ability to continue growing our economy depends on affordable, reliable power - and this can only be guaranteed if our nation truly has a diversified portfolio that includes coal. Asking some states to dramatically alter their potential sources of fuel for generating electricity puts their citizens at a distinct economic disadvantage. However, by allowing the electric sector to employ advanced technologies, combined with state and federal research and development efforts targeted toward newer, cleaner coal-fired power generation, the nation as a whole wins. For example, in Kentucky, which is primarily a manufacturing state with many energy-intensive industries, we estimate job losses in the industrial sector to be significant with even moderate increases in electricity rates. These industries supply the automobiles and appliances used by citizens in New York, California, and other states that are not manufacturing-intensive. In other words, a holistic view of our nation's regional economic and energy differences is crucial to ensuring energy security, affordability, and economic growth.

I hope you will consider establishing emission standards for the power sector that do not simply take coal out of the mix. By setting a standard that would allow advanced technologies to be deployed over time ensures our nation continues to enjoy the economic and environmental benefits of a truly diverse portfolio, without the unintended consequences of becoming overly dependent on one fuel source for a range of energy needs. This means allowing coal-fired plants to have realistic standards that can be achieved in a practical timeframe, while still allowing the nation to achieve its greenhouse gas emission reduction goals.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven L. Beshear". The signature is fluid and cursive, with a large initial "S" and "B".

Steven L. Beshear