



COMMONWEALTH of VIRGINIA

Office of the Governor

Robert F. McDonnell
Governor

April 23, 2013

President Barack Obama
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Re: EPA's proposed rule entitled "Standard of performance for Greenhouse Gas Emissions for New Stationary Sources: Electric Generating Units"

Dear Mr. President:

I am writing to respectfully urge that the U.S. Environmental Protection Agency (EPA) make changes to its proposed New Source Performance Standards (NSPS) before the rule is finalized. As currently proposed the rule is inconsistent with sound energy policy and could harm the economy of my state.

Last summer, Virginia's Department of Environmental Quality (DEQ) commented that we cannot support the proposed rule because DEQ does not believe the Clean Air Act (CAA) allows EPA to establish NSPS based on a technology such as carbon capture and storage that is not at this time technically feasible and economically available. Furthermore, DEQ does not believe that the CAA allows EPA to establish NSPS in a manner that has the current, practical effect of restricting fossil-fuel fired electric generation to natural gas units. Also of concern to DEQ is that by EPA's own admission, the proposed rule will not have a direct impact on U.S. emissions of greenhouse gases. 77 Fed. Reg. 22392, 22401 (April 13, 2012). Consequently, it appears EPA is proposing a rule that will prove to be costly and disruptive to the generation of electricity in the United States with little, if any, direct benefit to the environment.

As it now stands, the proposal requires new fossil fuel-fired electric generating units—both natural gas-fired and coal-fired—to meet a carbon dioxide (CO₂) emissions rate that can be achieved only by new natural gas combined cycle units or by new coal-fired units equipped with carbon capture and storage (CCS) technology. Since CCS technology is still under development, it is not economical for use on electric generating units. While EPA has proposed an extension for coal-fired units to install CCS within the first ten years of operation, such an alternative still would not allow the construction of new coal-fired power plants.

If EPA does not change this unwise proposal, the United States will be in danger of relying almost exclusively on one major energy source for baseload electric power and prohibit new plants from using coal, an abundant, clean and reliable energy resource. I support an “all of the above” approach to energy and EPA’s proposal NSPS runs counter to that approach.

I strongly urge that EPA modify the proposed NSPS in the following manner:

- Apply different CO₂ standards for coal-fired and natural gas-fired units, as has been the case historically. NSPS should not be a one-size-fits-all mandate, but instead should impose separate standards for these two sources.
- Set a standard for new coal-fired plants that is achievable by high-efficiency plants without resorting to CCS.
- Ensure standards for new coal-fired units are set at levels that are achievable by such high efficiency technologies under normal operating conditions.

These changes will ensure the electric power sector has the option to build new, clean, and efficient coal plants in the future. Thank you for your attention.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert F. McDonnell". The signature is fluid and cursive, with the first name "Robert" and last name "McDonnell" clearly legible.

Robert F. McDonnell

cc: The Honorable Bob Perciasepe, Acting Administrator, U.S. Environmental Protection Agency