



STATE OF INDIANA
OFFICE OF THE GOVERNOR
State House, Second Floor
Indianapolis, Indiana 46204

Michael R. Pence
Governor

May 20, 2013

President Barack Obama
The White House
1600 Pennsylvania Avenue, N.W.
Washington, DC 20500

Dear President Obama:

I write to urge you to reject carbon dioxide standards now under consideration at the Environmental Protection Agency.

I believe that our nation is best served by an “all of the above” energy strategy that incorporates all forms of energy. We need our wind, solar, nuclear, natural gas, and coal resources to power our economy and provide the quality of life Hoosiers and other Americans are accustomed to experiencing. Unfortunately, the EPA is proposing a rule that will constrain any potential for an all of the above energy strategy and harm our economy in the process.

The EPA proposes to limit carbon dioxide emissions from electricity generation plants to no more than 1,000 pounds per megawatt-hour. This limitation will decimate coal’s ability to contribute to an all of the above energy strategy and put natural gas in a precarious position. With current technology, even the most efficient coal-fired power plant emits 1,800 pounds of carbon dioxide per megawatt-hour, while the most efficient natural gas-fired plants barely meet the proposed standard. If coal and natural gas are prohibited energy resources for electricity generation, the benefits of an all of the above strategy will not be realized, electricity prices will increase, and economic harm will ensue.

Nowhere will the economic harm from these new limitations be more evident than here in Indiana. As you probably know, Indiana is one of the top manufacturing states in the country. We have attained this status for many reasons, but chief among them is our ability to produce electricity at a very low cost. Now, our competitive edge is in jeopardy as emissions standards, like those currently proposed by the EPA, drive up the cost of producing electricity. As the cost of electricity increases, Indiana’s manufacturers and industrial plants face difficult decisions, and they will not be able to put people to work when they cannot afford to turn on the lights.

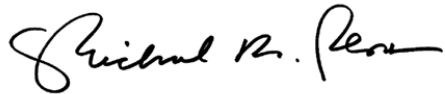
Here in Indiana, we are doing our part. Our 300-year supply of coal has enabled us to offer electricity rates among the lowest in the nation for many years but, as good stewards of our resources, we have taken steps to diversify our energy portfolio to maintain our competitive edge. The wind industry has grown rapidly in Indiana, and solar installations

have multiplied in recent years. We draw nuclear power from reactors in Michigan, and we have a natural gas market on the verge of a breakthrough. We are working to diversify our energy portfolio to keep prices in check and move our economy forward.

Yet, with all of this diversification, we are and will remain dependent upon coal for the majority of our electricity for the foreseeable future. The Energy Information Agency projects similar trends. Coal simply provides too great an energy resource for Indiana or the United States to ignore. The coal industry and electricity providers have made great strides toward lower emissions, and, as we replace our aging electricity generation plants, I have no doubt that we will find ways to lower emissions even further.

I believe we can find a better approach to lowering emissions than the imposition of the unprecedented standard now under consideration by the EPA. I believe that coal is a vital part of our energy strategy and a central part of the definition of "all of the above." I ask you to reject the proposed carbon dioxide emissions limitations rules.

Sincerely,

A handwritten signature in black ink that reads "Michael R. Pence". The signature is written in a cursive, flowing style.

Michael R. Pence
Governor of Indiana