

EPA Regulations: Stifling the Economy and Costing Consumers

The Environmental Protection Agency (EPA) continues to impose regulations that threaten millions of American jobs, further weaken the economy, and result in higher electricity bills. Together, these rules impair the global competitiveness of American businesses and impose a regressive energy tax on America's working families and those on fixed incomes. Experts also warn these regulations will jeopardize the reliability of the nation's electricity supply.

Greenhouse Gas (GHG) Regulations for New Power Plants

EPA has proposed to regulate greenhouse gases from new power plants, and expects to finalize this rule in 2013. If adopted, the rule will effectively ban the construction of state-of-the-art, cost effective advanced coal power plants necessary to sustain America's base load electricity capacity. Even EPA admits that the rule will impose a standard that is well beyond the reach of any commercially available technology today or in the foreseeable future. As a result, American businesses and households will be denied the economic and environmental benefits of new higher efficiency lower emission coal power plants needed to maintain diverse, affordable and reliable electricity supply. Balanced energy and environmental policies require EPA to set standards that can be achieved by currently commercially available technology for coal powered electricity. This balanced approach would allow America to reap the benefits of its most abundant energy resource—coal—with 30-40 percent lower emissions than older power plants.

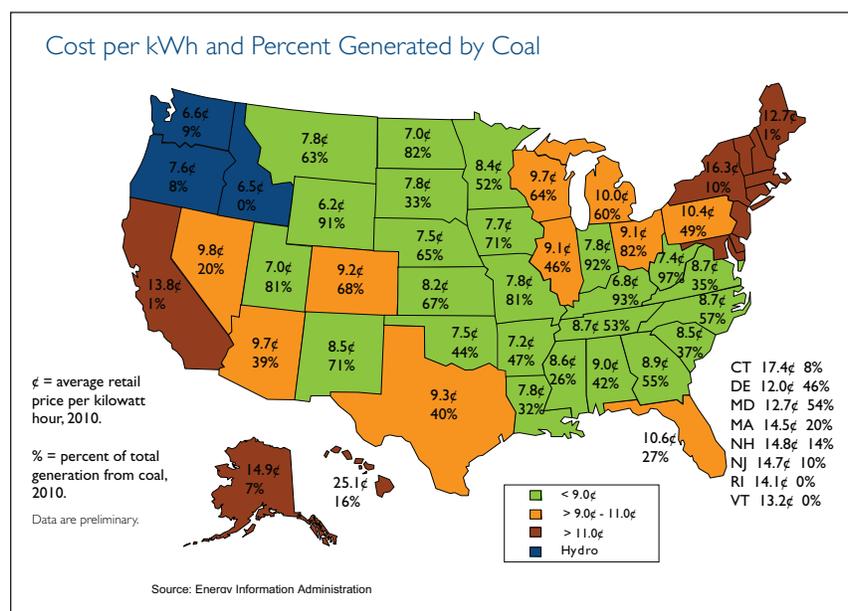
The Worst is Yet to Come: GHG Regulations for Existing Power Plants

EPA is also considering GHG regulations for existing electricity power plants. Billions of dollars are now being invested to upgrade power plants to meet recent EPA regulations for conventional emissions. These investments will be jeopardized along with the nation's economic growth that depends upon a diverse, reliable and affordable electricity supply from coal power plants.

Costs and Consequences of EPA's Regulations

Recent EPA rules have already forced the retirement of almost 40 gigawatts (GW) of coal-based electricity generation—four times more than EPA predicted. (1 GW powers 750,000 homes). States that rely upon coal-based electricity generation have the lowest electricity rates and it is no coincidence that these same states have the highest

concentrations of manufacturing. Weakening the coal backbone of the nation's electricity supply will push both electricity and natural gas prices higher. From 2000-2008, natural gas demand for the power sector rose by 27 percent, and American businesses and households were hit with a one-two punch of higher electricity prices (56 percent) and natural gas prices (200 percent). Several manufacturing groups concluded that these higher and volatile gas prices contributed to most of the five million manufacturing job losses during this period. A National Energy Technology Laboratory analysis concluded that coal-based electricity has historically kept the price of natural gas from matching the rise in the price of oil.



Electricity Affordability & Reliability is in Jeopardy

EPA's recent regulations for power plants have already raised future electricity costs. A recent auction for securing sufficient electricity capacity in 2015 showed a 700 percent increase in a thirteen state region. DTE Energy's CEO estimated that the loss of coal-based electricity would increase household electric bills by 25 percent. AEP's CEO cautioned that any new EPA rules for GHG emissions from existing plants would pose a clear problem for electricity reliability and customer prices.

New EPA Rules Prevent Enormous Environmental Progress

Through technological advances and large investments, coal-based electricity can continue to supply affordable and cleaner power for America. Over the past 30 years, coal based electricity has increased by more than 170 percent while emissions have decreased by 90 percent. With balanced policies, new high efficiency supercritical coal plants can further reduce emissions by more than 30 percent compared to older plants they would replace.

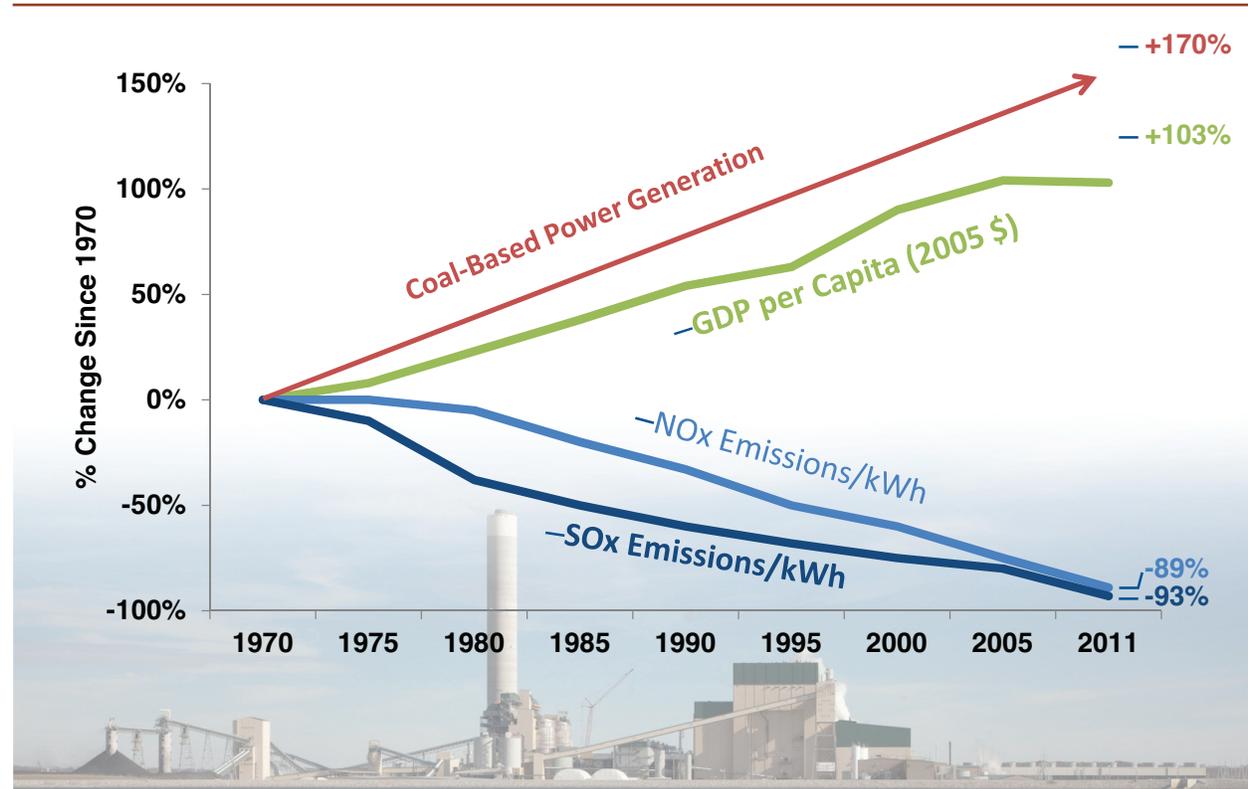
Family Budgets at Risk

More than half of American households devote more than 20 percent of their family budget to energy costs—more than double than ten years ago. Higher energy costs impose a regressive tax on lower income families and those on fixed incomes. Virtually all of the increase in residential electricity prices over the past two decades has occurred since 2000—a period that coincides with EPA's massive new regulations for power plants.

Coal Creates Permanent Jobs

Coal-based power plants create more construction and permanent jobs than any other source of electricity generation. U.S. Department of Energy data and models show that coal based electricity creates 9 times more construction and permanent jobs on a "dollar invested" basis than a wind facility. In short, policies that displace coal electricity result in a net job loss of energy industry employment.

Clean Coal Technologies Work



Sources: USDA 2011, EIA 2012, NETL 2011