



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

Michael R. Pence
Governor

June 24, 2015

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

Dear Mr. President:

I write regarding the Environmental Protection Agency's (EPA) proposed Clean Power Plan to regulate carbon emissions from existing power plants. As I wrote to Administrator McCarthy on December 1, 2014, the proposed rules are "ill-conceived and poorly constructed" and they exceed the EPA's legal authority under the Clean Air Act.

My administration continues to believe the plan should be withdrawn because it will raise electricity costs on Hoosiers, result in less reliable electricity and impede economic growth and prosperity in Indiana and the rest of the country.

If your administration proceeds to finalize the Clean Power Plan, and the final rule has not demonstrably and significantly improved from the proposed rule, Indiana will not comply. Our state will also reserve the right to use any legal means available to block the rule from being implemented. I believe the Clean Power Plan as proposed is a vast overreach of federal power that exceeds the EPA's proper legal authority and fails to strike the proper balance between the health of the environment and the health of the economy.

Our nation needs an "all of the above" energy strategy that relies on a variety of different energy sources. Energy policy should promote the safe, environmentally responsible stewardship of our natural resources with the goal of reliable, affordable energy. Your approach to energy policy places environmental concerns above all others.

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.

For our economy to grow, we need affordable, reliable energy. The EPA's Clean Power Plan will contribute to higher electricity prices at a time when our economy can least afford it, and it will drive investment to other countries instead of creating jobs here at

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home. A historically low cost of energy has played a major part in making Indiana the most manufacturing intensive state in the country.

The higher electricity prices brought by the EPA's plan will inhibit our ability to advance our manufacturing base and the jobs it creates.

Perhaps even more important than affordability is the reliability of our energy. Whether at home, on the farm, or in the factory, Hoosiers need to know that electricity is available when they flip the switch. Reliability becomes a significant concern under your policies. The Clean Power Plan and your administration's policies seek to deprive Hoosiers of the very energy source that has provided us with reliable electricity for generations: coal. This plan will force the premature closure of reliable coal-fired power plants, threatening our stable source of affordable electricity. Our nation cannot afford your climate plan, and Indiana will not stand for it.

More than a violation of the goals of affordable, reliable energy, your plan ignores the separation of powers enshrined in our nation's Constitution. To realize the carbon dioxide emission reductions you seek, Indiana will have to fundamentally change the way electricity is dispatched. Currently, electricity is dispatched according to lowest price, which is consistent with the goals of affordability and reliability that drive energy policy in our state. Under your plan, sources of electricity are determined according to lowest carbon dioxide emissions. In other words, carbon dioxide drives the decision, not cost. A change of this magnitude should not be done through administrative fiat. Only Congress can appropriately debate and determine this course for our nation.

As Governor of Indiana, I am deeply concerned about the impacts of the Clean Power Plan on our state, especially our job creators, the poor, and the elderly who cannot afford more expensive, less reliable energy. I reject the Clean Power Plan and inform you that absent demonstrable and significant improvement in the final rule, Indiana will not comply.

Sincerely,

A handwritten signature in black ink, reading "Michael R. Pence". The signature is fluid and cursive, with the first name "Michael" being the most prominent part.

Michael R. Pence
Governor of Indiana