

THE EPA'S CLEAN POWER PLAN

PUTTING AFFORDABILITY & RELIABILITY ... *at risk*

**a sampling of comments by state and Federal regulators
and regional grid operators regarding the EPA's 111(d) proposal**

...the Proposed Rule stands to weaken the country's generation portfolio and significantly impact the future cost of electricity. Just as important...the proposed standard may impact the reliability of our nation's electric system and, as a result, customers will be forced to pay more for a product that is less reliable.

Alabama Public Service Commission

While the opportunity to reduce CO2 emissions from Alaska's electric utility sector is negligible, attempts to comply with the Proposed Rule would result in extraordinary costs. Implementing the Proposed Rule may also raise issues regarding the reliability of electric service...

Alaska Department of Environmental Conservation
Regulatory Commission of Alaska
Alaska Energy Authority

The assumptions that EPA has made about the Arizona energy market are inaccurate and lead to goals for Arizona that are unachievable...without impacting the reliability of electric service, jeopardizing national security by rendering energy infrastructure less resilient to natural or man-made disasters, and undermining resource portfolio planning.... The costs of approximately \$3 billion for stranded generation in Arizona would have significant retail rate implications.

Arizona Corporation Commission

The 2030 Arkansas goal...is technically flawed and is unattainable under the contemplated timeframe. The Agencies urge changes in the Proposed Rule to avoid unreasonable and inequitable results that may include disruptions to electric service and significant cost impacts in Arkansas and in neighboring states.

Arkansas Public Service Commission
Arkansas Department of Environmental Quality

The FPSC is concerned, that the Proposed Rule in its current form will reduce fuel diversity, adversely impact reliability, and impose unacceptable cost increases for a large number of Florida's electric consumers.

Florida Public Service Commission

The Proposed GHG Rule has the potential for significant rate and reliability impacts on Florida's ratepayers.

Florida Office of Public Counsel

...the Commission has serious concerns about EPA's proposal.... Without revisions and clarifications, this rule will be unduly burdensome on Georgians placing upward pressure on electricity rates, an outcome that is not acceptable to our organization or the citizens we serve.

Georgia Public Service Commission

The proposed regulation is not consistent with our goal of affordable and reliable energy.

Indiana Department of Environmental Management
Indiana Office of Energy Development, Indiana Office of Utility Consumer Counselor
Indiana Utility Regulation Commission, Indiana Department of Natural Resources

Should the EPA proceed with the proposed Clean Power Plan, this Commission fully expects that Kansas ratepayers will face a future of exorbitantly high electricity costs and unreliable electric service.

Kansas Corporation Commission

...there is considerable concern regarding the potential impacts to least-cost dispatch of power. It is a widely held belief that this rule could initiate unintended consequences and jeopardize price stability and power reliability.

Kentucky Energy and Environment Cabinet

The LPSC respectfully submits that the CPP will create undue hardships on Louisiana families through unwarranted electricity bill increases and potential service interruptions.

Louisiana Public Service Commission

...the interim goals could threaten the reliability of Michigan's (and the region's) electric system...and cause rate shock... there is no doubt the utilities' cost to comply with the various CO2 reduction measures will be passed along to ratepayers... Thus, customers may face substantially higher rates as utilities seek to recover new environmental capital expenditures, new generation, and retrofits, as well as infrastructure investments such as electric transmission and natural gas pipelines.

Michigan Public Service Commission
Michigan Economic Development Corporation
Michigan Department of Environmental Quality

As others have observed, compliance with the Proposed Rule, particularly the interim target, could require steps that are not the most cost-effective path to meeting the goal and assuring the reliability of the system.

Minnesota Public Utilities Commission

...the impacts of the proposed rule could threaten fuel diversity and reliability. The Commission is concerned that these effects remain largely unstudied and will cause rate impacts that far exceed the asserted benefits of any associated GHG reductions.

Mississippi Public Service Commission

EPA's technical memo on cost considers only Building Blocks 1 and 2. To be accurate and realistic, EPA should consider costs for all four Building Blocks and include an estimate of the costs associated with stranded assets due to this rulemaking. The 2.7 – 4.4% electricity cost increases included in the technical memo as a result of 111(d) implementation are highly uncertain due to the complexity of the plan and length of implementation. Maintaining affordable electricity and minimizing costs to ratepayers should be a priority.

New Mexico Environment Department

...the Public Staff is gravely concerned that the impact [of] the Proposed Rule could impair electric rates and service reliability in North Carolina.

North Carolina Utilities Commission Public Staff

If finalized, EPA's Proposed Rule would substantially increase rates North Dakota consumers pay for their electricity, and could significantly impact the reliability of the electrical service they receive.

North Dakota Public Service Commission

Simply put, the CPP [Clean Power Plan] threatens the primary principle for which the PUCO exists to protect – the delivery of reliable electric service at affordable rates.

Public Utilities Commission of Ohio

As proposed, the Clean Power Plan could leave residential, commercial, and industrial U.S. consumers exposed to less reliable, more expensive, and more volatile electric markets in the future.

Pennsylvania Department of Environmental Protection

The PAPUC [Pennsylvania Public Utility Commission] cannot emphasize enough the potential negative impact that these proposed regulations pose to the reliability of the PJM transmission system, the function and operation of the PJM wholesale electric market, the cost of electricity to retail customers and the composition of generation in PA and the region.

Pennsylvania Public Utility Commission

...the Proposed Rule presents significant concerns about the impact of the Proposed Rule on costs and reliability. Our review thus far indicates that the Proposed Rule as drafted will likely cause substantial increases in the rates and bills for electricity within South Carolina significantly impacting our state's consumers and economy. Additionally, the Proposed Rule could adversely impact the reliability of electric service.

South Carolina Office of Regulatory Staff

...the proposed rules include specific goals for South Dakota that are not technically feasible or achievable. Moreover, the SD PUC believes implementing the rules as proposed will result in a substantial increase of electric rates in South Dakota.... As the state regulatory agency in charge of maintaining reliable electric service to South Dakota consumers, the SD PUC is concerned that the timeline EPA set forth for compliance does not allow for adequate review of electric system reliability.

South Dakota Public Utilities Commission

EPA has not provided clear information or data supporting that the proposed BSER [Best System of Emissions Reduction]...has been adequately demonstrated as technical[ly] feasible and achievable...such that negative energy impacts will be avoided.

Tennessee Department of Environment and Conservation

EPA vastly underestimates both the cost of the proposed rule as well as the potential threats to system reliability.

Texas Public Utility Commission

The rapid transformation of the generation fleet serving Virginia that the Proposed Regulation appears to envision raises obvious concerns about cost impacts, resource adequacy, and reliability in Virginia.

Staff of the Virginia State Corporation Commission

[The Clean Power Plan is]...not based on the cornerstone criteria of reliability and cost, but instead upon the single-minded criterion of carbon intensity. As a result, electrical grid reliability will fall precipitously and costs will rise.

West Virginia Department of Environmental Protection

...we are very concerned the costs of EPA's proposal will threaten our most reliable energy source and damage our ability to provide affordable energy to our citizens and manufacturing-based economy.

Wisconsin Department of Natural Resources
Wisconsin Public Service Commission

We have been able to compute a comparison between EPA's proposed goal and what we believe would be the outer limit of the practical for Wyoming.... By the time we get to the 2020 closures...there would be serious threats to regional reliability and a financial catastrophe for ratepayers.

Wyoming Public Service Commission



ERCOT anticipates that implementation of the proposed Clean Power Plan... could result in transmission reliability issues due to the loss of generation resources in and around major urban centers, and will strain ERCOT's ability to integrate new intermittent renewable generation resources. The Clean Power Plan will also result in increased energy costs for consumers in the ERCOT region by up to 20% in 2020, without accounting for the costs of transmission upgrades, procurement of additional ancillary services, energy efficiency investments, capital costs of new capacity, and other costs associated with the retirement or decreased operation of coal-fired capacity in ERCOT

Electric Reliability Council of Texas (ERCOT)

Application of the 2020-2029 interim emissions performance period and the associated interim emissions performance levels established in the proposed rule...will negatively impact reliability and resource adequacy in the MISO region starting in 2020. The interim performance requirements create an untenable and infeasible timeline for reliable compliance...

Midcontinent Independent System Operator (MISO)

Unless the proposed CPP is modified significantly, SPP's transmission system impact evaluation indicates serious, detrimental impacts on the reliable operation of the bulk electric system in the SPP region, introducing the very real possibility of rolling blackouts or cascading outages that will have significant impacts on human health, public safety and economic activity within the region.

The proposed CPP will change the market dispatch of generating units by reducing the availability of the most economic generating resources. Such a shift will cause higher market clearing prices in the SPP region resulting in material adverse economic impacts on SPP customers.

Southwest Power Pool (SPP)

The proposed Clean Power Plan creates a number of potential reliability concerns due to the Western Interconnection's unique geographic and system conditions.

Western Electricity Coordinating Council (WECC)

I am concerned that the costs of the CPP could total hundreds of billions of dollars. But my primary concern relates to implications of the CPP on the reliability of the nation's electricity system.

Commissioner Philip D. Moeller
Federal Energy Regulatory Commission

The number of estimated retirements identified in the EPA's proposed rule may be conservative if the assumptions prove to be unachievable. Developing suitable replacement generation resources to maintain adequate reserve margin levels may represent a significant reliability challenge, given the constrained time period for implementation.

Essential Reliability Services (ERS) may be strained by the CPP... New reliability challenges may arise with the integration of generation resources that have different ERS characteristics than the units that are projected to be retired.

North American Electric Reliability Corporation