

US EPA ARCHIVE DOCUMENT

The information presented here reflects EPA's modeling of the Clear Skies Act of 2002. The Agency is in the process of updating this information to reflect modifications included in the Clear Skies Act of 2003. The revised information will be posted on the Agency's Clear Skies Web site (www.epa.gov/clearskies) as soon as possible.



Clear Skies Act of 2003 Fact Sheet

Cleaner Air, Better Health, Brighter Future

"I have sent you Clear Skies legislation that mandates a 70 percent cut in air pollution from power plants . . . I urge you to pass [this measure], for the good of both our environment and our economy." - President George W. Bush, State of the Union, January 28, 2003

Passing Clear Skies legislation this year would provide immediate health benefits – emissions trading under Clear Skies provides incentives for power plants to reduce emissions early.

Clear Skies is a mandatory program that would dramatically reduce and cap emissions of sulfur dioxide (SO₂), nitrogen oxides (NO_x), and mercury from electric power generation.

Clear Skies would provide health benefits faster, more certainly and at less cost to America's consumers than would the current Clean Air Act.

Clear Skies would deliver unprecedented emissions reductions nationwide from the power sector without significantly affecting electricity prices for American consumers. Clear Skies would deliver certainty and efficiency, achieving environmental protection while supporting economic growth.

The mandatory, market-based cap and trade program for power generators builds upon the Clean Air Act to facilitate achievement of critical health and environmental goals.

Components of the Clear Skies Act of 2003

The Clear Skies Act would:

- Establish federally enforceable emissions limits (or "caps") for all three pollutants.
 - Clear Skies' NO_x and SO₂ requirements affect all fossil fuel-fired electric generators greater than 25 megawatts (MW) that sell electricity. Mercury requirements affect only the subset of these units that are coal-fired.
- Use a dynamic regulatory approach – emission caps and trading – that provides power plants with flexibility to reduce emissions in the most efficient and least costly way.
- Maintain the authority of state and local government to set source-specific emissions limits for sources within their borders to ensure that ambient air quality standards are met.

	Actual Emissions in 2000	Clear Skies Emissions Caps		Total Reduction at Full Implementation
		First Phase of Reductions	Second Phase of Reductions	
SO ₂	11.2 million tons	4.5 million tons in 2010*	3 million tons in 2018*	73%
NO _x **	5.1 million tons	2.1 million tons in 2008*	1.7 million tons in 2018*	67%
Mercury	48 tons	26 tons in 2010	15 tons in 2018*	69%

* Because sources can reduce emissions early, earn allowances for those actions, and use those allowances later, actual emission levels will be higher than the cap in the first years of these phases.

** The NOx cap is divided between two zones with separate trading programs under each zone. Zone 2 includes states participating in the WRAP process as well as Nebraska, Kansas, Oklahoma, and some of Western Texas. Zone 1 includes the remaining 31 states in the continental U.S. and the remaining portion of Texas.

Clear Skies Provides Dramatic Benefits for Public Health

- Clear Skies would begin delivering benefits to human health and the environment beginning with its passage. Human health benefits we can quantify grow to approximately \$93 billion per year by 2020, substantially outweighing the annual costs of \$6.5 billion (based on 2002 estimates).
- EPA projected that, by 2020, the public health benefits from Clear Skies would include 12,000 avoided premature deaths. An alternative methodology for calculating health-related benefits projects over 7,000 premature deaths prevented and \$11 billion in health benefits - still far greater than the costs.
- Americans would also experience approximately 11,900 fewer visits to the hospital and emergency room, 370,000 fewer days with asthma attacks, and 2 million fewer work loss days each year under Clear Skies by 2020.
- Under Clear Skies, more than 20 million additional people would be breathing air that meets the national ozone and fine particle standards in 2020.
 - In the remaining counties, Clear Skies would achieve additional reductions in fine particles that would further protect human health.

Clear Skies Makes Great Strides to Help the Environment

- The benefit of improvements in visibility in our national parks and wilderness areas would total \$3 billion per year by 2020.
- Clear Skies would also:
 - Reduce nitrogen loads to the Chesapeake Bay and other waters along the East and Gulf Coasts;
 - Help lakes, streams, & forests recover from acid rain damage; and
 - Reduce mercury in the environment.

Clear Skies Simplifies Cumbersome Requirements and Reduces Burdens on States

- Clear Skies would expand and strengthen a proven, mandatory market-based approach and reduce reliance on complex, less efficient requirements.
- Clear Skies would help state and local governments attain the National Ambient Air Quality Standards (NAAQS) for fine particles (PM_{2.5}) and ozone:
 - By 2010, an estimated 34 additional counties would meet the fine particle standard, and an estimated 10 additional counties would meet the 8-hour ozone standard.
 - By 2020, an estimated 54 additional counties would meet the fine particle standard, and an estimated 8 additional counties would meet the 8-hour ozone standard.

Clear Skies Maintains Energy Diversity and Security

- Clear Skies would enable continued reliance on abundant domestic sources of fuel.
- Clear Skies would also benefit energy consumers by allowing the trend of lower electricity prices to continue.

For more information, please visit our website at www.epa.gov/clearskies