

US EPA ARCHIVE DOCUMENT

Agenda

Presentation: 1:00-1:20 pm

- The 2010 to 2029 Glide Path
- Stringency of Building Block 2 (dispatch to natural gas)
- Methodology for Building Block 3 (renewable energy) and How Building Block 3 Targets Relate to Compliance Options
- Goal Setting Equation
- Alternatives to the 2012 Data Year

Q&A session: 1:20-2:00 pm

- Please type your questions in the Q&A box

Webinar on the Clean Power Plan Notice of Data Availability

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Notice of Data Availability

- ▶ Notice of data availability (NODA) was published in the Federal Register on October 30, 2014
- ▶ Purpose
 - ▶ Describe and seek comment on several ideas raised by multiple stakeholders that may go beyond those for which the agency sought comment in the June 18, 2014 proposal
 - ▶ Bring these ideas to the attention of other stakeholders and the public so that they have the opportunity to consider these ideas as they are formulating their comments on the proposal
- ▶ Topics
 - ▶ Glide path of emission reductions from 2020 to 2029
 - ▶ Certain aspects of the building block methodology
 - Stringency of building block 2
 - Methodology for building block 3 and how building block 3 targets relate to compliance options
 - ▶ The way the state-specific CO₂ goals are calculated
 - Goal-setting equation
 - Alternatives to the 2012 data year

Glide Path for 2020 to 2029

- ▶ Stakeholder concern
 - ▶ Challenges achieving all of the reductions that states would be required to make as early as 2020
 - Not enough flexibility for states for which large amounts of reductions are required under building block 2 to choose different measures to achieve required reductions
 - Do not provide the opportunity to address remaining asset value of existing coal-fired generation that would otherwise have been used
- ▶ Stakeholder ideas covered in the proposal
 - ▶ Allowing credit for early reductions (i.e., reductions prior to 2020) through:
 - Credit received in 2020 for pre-2020 reductions, or
 - Early implementation (e.g., pre-2020) of state goal requirements
- ▶ Additional stakeholder ideas, for which EPA is requesting comment
 - ▶ Phasing in building block 2 over time, just as building blocks 3 and 4 are phased in over time in the June 2014 proposal

Stringency of Building Block 2

- ▶ Stakeholder concerns
 - ▶ Views vary on building block 2 – that it should be less stringent, more stringent, and more stringent in some states and less stringent in others
 - ▶ Concerns about the feasibility of the proposed higher levels of utilization of existing NGCC units in the early years of the 2020-2029 period
 - ▶ Potential opportunities for emission reductions from the use of natural gas from states that are not already using natural gas for electricity generation
- ▶ Stakeholder ideas covered in the proposal
 - ▶ Including in the best system of emission reduction (BSER) determination:
 - Increasing utilization of under-construction NGCC units and replacing generation from fossil fuel-fired steam units
 - Co-firing with natural gas
 - New NGCC units
 - ▶ Applying building block 2 on a regional basis
- ▶ Additional approach, for which EPA is requesting comment
 - ▶ Establishment of some minimum value as a floor for the amount of generation shift for purposes of building block 2
 - EPA requests comment on what that value should be

Methodology for Building Block 3

- ▶ Stakeholder concerns
 - ▶ Discrepancy between setting state's target based on in-state renewables while allowing use of out-of-state renewables for compliance
 - ▶ Approach proposed for renewable energy imposes greater stringency on states that have already taken action to promote and deploy renewable energy
- ▶ Stakeholder ideas covered in the proposal
 - ▶ EPA proposed to establish state RE targets based on an average of state RPS requirements across states in certain regions
 - ▶ EPA requested comment on an alternative approach that would use a state-by-state determination of RE targets, based on technical and market potential
 - ▶ Both approaches focused on the ability to develop renewable generation within a state
- ▶ Additional approach, for which EPA is requesting comment
 - ▶ Under this alternative approach, each state's RE target is adjusted based on the RE potential available across a multi-state region in which the state is located
 - Each state's goal would be informed by the opportunity to develop out-of-state RE resources as part of its state plan, better aligning RE targets with the proposal to allow the use of certain out-of-state renewables for compliance

Goal-Setting Equation

- ▶ Stakeholder concern
 - ▶ Formula for calculating each state's goal is not consistent in its application of the BSER for building block 2, as compared with building blocks 3 and 4
- ▶ EPA did not address this explicitly in the June 2014 proposal
- ▶ Alternative approaches, for which EPA is requesting comment
 - ▶ Incremental RE generation and EE generation avoidance would directly replace 2012 generation levels and the corresponding emissions on a pro rata basis across generation types (i.e., fossil steam and gas turbine)
 - ▶ Approach above would be adjusted, with incremental RE and EE first replacing *fossil steam* generation below 2012 levels rather than replacing *all fossil* generation on a pro rata basis

Alternatives to the 2012 Data Year

- ▶ Stakeholders have raised concerns over the use of 2012 as the single data year for calculating state goals
- ▶ Stakeholders have also expressed interest in obtaining eGRID data for years prior to 2012, for comparison with results from the 2012 dataset
- ▶ EPA is making available data for the years 2010 and 2011 using the eGRID methodology in the docket for the proposed rule and on the EPA website for the rulemaking:
<http://www2.epa.gov/cleanpowerplan/>
- ▶ EPA is requesting comment on:
 - ▶ Whether we should use a different single data year or the average of a combination of years (such as 2010, 2011, and 2012) to calculate the state fossil fuel emission rates used in state goal calculations
 - ▶ Whether state-specific circumstances exist that could justify using different data years for individual states, as opposed to using the same data year, or combination of years, consistently across states

Additional Information

- ▶ The comment period for the proposed Clean Power Plan and the NODA ends on December 1, 2014
- ▶ For more information on the proposal and NODA:
 - ▶ Proposed Clean Power Plan (79 FR 34830-34958, June 18, 2014) is available at: <http://www2.epa.gov/cleanpowerplan>
 - ▶ NODA is also available at: <http://www2.epa.gov/cleanpowerplan>