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Traffic Report from the Federal Climate Policy Interstate

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Executive Director & Dean

Our Mission…

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"To build and support a global community of experts with the highest standards of professional practice in measuring, accounting, auditing, and managing greenhouse gas emissions."

What we do…

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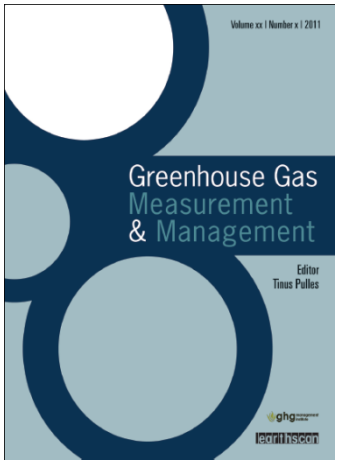
1. Community building
   - Networking
   - Ethical norms/codes
2. Education & training
   - Global online curriculum
3. Research
   - Peer-reviewed journal
   - Textbooks
4. Professional certification
   - Institutions & infrastructure

Greenhouse Gas Experts Network

GHGMI Member Code of Conduct
(Version 1, March 2009)



EP(GHG)

Major developments…

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China and the demise of G-77

Collapse of carbon market

Giving up on Congress

1. 111(d) & (b) proposed rules
2. CAFE
3. Fugitive methane ★

111(d) Proposal Overview

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Electricity 32% of GHG emissions

Rule effects about 1000 power plants

Theoretical impact: ↓ 17% electricity CO_2

Long road

State by State

111(d) Proposal Details

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2030 rate-based emission goals (lbs CO_2/MWh) by State

- Interim 2025 target on average over 2020 – 2029
- Wide variation in State targets

Fossil generators >25 MW, excludes:

- Resources on Tribal lands – separate rule
- Biomass
- New fossil resources developed after January 2014

Historic emission rates inform building blocks, but not baseline

Building blocks

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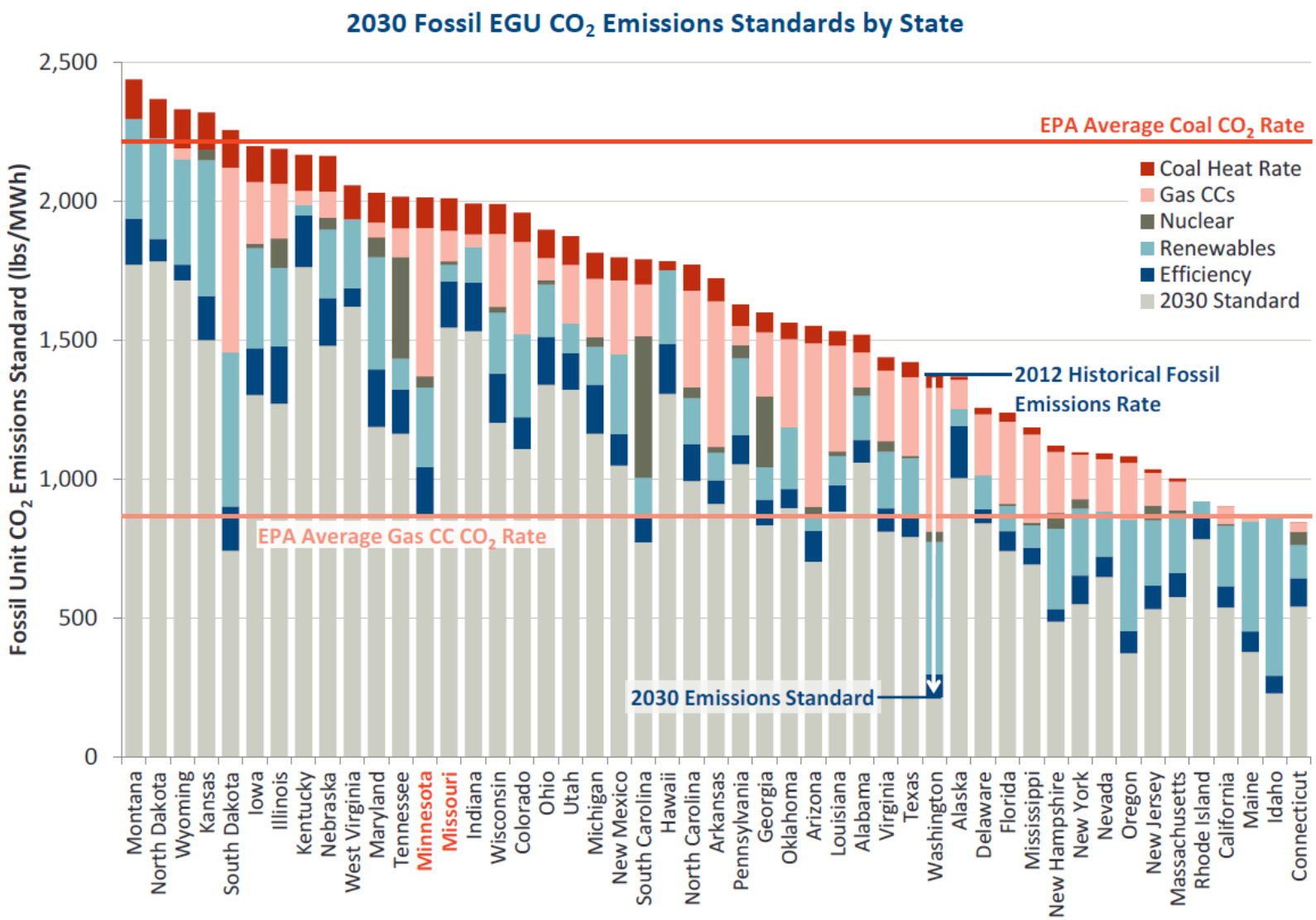
"Building blocks"

1. 6% HR improvements in existing coal fired plants
2. Increased dispatch of existing gas to 70% capacity factor
3. Increased RE generation and retention of 'at risk' nuclear (no hydro)
4. Demand side energy-efficiency programs

$$\frac{\textit{Anual emissions from effected units}}{\textit{MWh from units} + \textit{RE} + \textit{incremental nuclear} + \textit{avoided by EE}}$$

States not required to take specific measures

Proposal does not set emission standard for individual facilities



Sources and Notes:

Reflects Option 1 final rate for years 2030 and on, from EPA Technical Support Document: Goal Computation, Appendix 1.

Minnesota and Missouri highlighted in red due to the reference to them in the paragraph above.

Graphic from The Brattle Group Policy Brief: *"EPA's Clean Power Plan – Implications for States and the Electric Industry"*

State Implementation Plans

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- State plans must demonstrate
  - Enforceable and address monitoring and verification
  - Likely to meet targets
- Multi-state programs and ETSs
- Legal compliance responsibility depends on State's measures

Key Issues

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Many changes for utilities

- No load growth
- Regulation on other pollutants
- Distributed generation
- Carbon constraints

Option for mass-based target

Double-counting

- Emissions from exported fossil generation → generating State
- Avoided MWH from renewable energy → importing State
- States may coordinate their accounting

Could subject RPS and DSM programs to federal enforcement

- Changes would require EPA approval

State coordination for…

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RE and EE accounting for interstate power flows

Averaging emissions across States

Combining State targets

Implementing multi-State cap & trade

Dispute settlement and allocating compliance liabilities?

Official Timeline

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- Proposal released Jun 2014
- Comments due Dec 2014
- Final rule "Summer 2015"?
- Initial State plans due "Summer 2016"
  - Final federal plan
  - Extensions
- Compliance begins Jan 2020
- Interim target 2025
- Final target 2030

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Litigation

Resistance & Negotiations

Challenges

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High risk rule will fail legal challenge

- "Outside the fence"

Opposition from governors, States refuse to submit plan

- Regulation coming, SCOTUS GHG ruling
- Federal leverage is weak
- Previous experience with other pollutants

Model federal plan

Coordination across State agencies

- State and local air quality agencies, PUCs, DSM programs

EE MRV★

Contact

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