

# Proposed EPA Carbon Rules: What America Should Know

The U.S. Environmental Protection Agency is advancing rules to limit carbon emissions in a proposal that would endanger human health and welfare by making electricity scarce and expensive.

- The U.S. Chamber of Commerce has called this the EPA's "largest, most costly... rule in its history" and estimates it will cost the American economy >\$50 billion per year.<sup>1</sup>
- Other reports put the cost of the EPA's proposed rule to each American household in the thousands of dollars over time. A Heritage Foundation study puts the cost to an average family of four at \$1,200 per year.<sup>2</sup>
- Affordable energy access is especially important at a time when a record 115 million Americans qualify for energy assistance, 48 million Americans suffer in poverty and more than half of Americans have said a \$20 increase in their utility bills would create hardship.
- Fuel choices matter and policies matter. Coal drives the lowest-cost electricity in the United States: The states that don't use coal wrestle with electricity rates that are nearly twice as much as the states that predominantly use coal for power.<sup>3</sup>

**This proposal does not carry the force of law, which is likely to be contested and litigated aggressively.**

- This proposal represents a vast overreach by the Administration, which is legislating from the Executive Branch.
- The proposal will be challenged by Congress as usurping its power and damaging the fragile U.S. economy. Already, a large bipartisan group of 29 from the Texas Congressional delegation warned the Administration not to take this action.<sup>4</sup>

PROPOSED REGULATIONS WOULD LEAD TO MORE

# PAIN AT THE PLUG

THAN WHAT AMERICANS HAVE SEEN AT THE PUMP



\$ >50 Billion ANNUAL COST TO THE ECONOMY

\$ 1,200 ANNUAL INCOME DROP FOR A FAMILY OF FOUR

\$ "Under my proposal, electricity rates would necessarily skyrocket."

-President Barack Obama, 2008

<sup>1</sup> U.S. Chamber of Commerce, "EPA's Attempt to 'Set the Record Straight' on Our Carbon Report," May 2014; U.S. Chamber of Commerce, "Assessing the Impact of Potential New Carbon Regulations in the United States," May 2014.

<sup>2</sup> The Heritage Foundation, "EPA Power Plant Regulations: A Backdoor Energy Tax," December 2013.

<sup>3</sup> U.S. Energy Information Administration, "Electric Power Monthly," March 2014.

<sup>4</sup> Texas Congressional Delegation letter to EPA, May 2014.

**Even if enacted, these proposed EPA limits would have no material impact under climate change theory.**

- A shutdown of America’s entire coal-fueled generating fleet would have no discernible climate effects, according to analysis by the American Coalition for Clean Coal Electricity. The study shows that such a shutdown would result in only 1/20<sup>th</sup> of one degree temperature change.<sup>5</sup>
- In fact, the benefits of fossil fuel energy to society far outweigh the social costs of carbon by a magnitude of 50 to 500 times.<sup>6</sup>

**There is a better path forward.**

The elements of sound energy policy should include:

- 1) Insistence on low-cost electricity
- 2) Investment in efficiency improvements at existing power plants
- 3) Deployment of advanced supercritical coal plants
- 4) Greater research and development toward next-generation coal technologies including carbon capture, use and storage.

- Advanced “supercritical” technology is highly efficient, and other state-of-the-art technologies result in a key emissions rate that is two-thirds lower than the existing fleet with carbon dioxide (CO<sub>2</sub>) emission rates as much as 25% lower than the oldest plants.

Everyone deserves access to low-cost electricity, and everyone wants the air to be cleaner every day. Today’s advanced coal-fueled electricity is essential to these goals, and a far better path than the Administration’s proposal.

**PROPOSED EPA RULE= NO REAL BENEFIT UNDER CLIMATE THEORY**



REMOVING COAL FROM THE ENTIRE U.S. GENERATING FLEET WOULD HAVE **NO DISCERNIBLE EFFECTS ON CLIMATE**, RESULTING IN:

**1/20<sup>TH</sup> OF 1°**  
OF TEMPERATURE CHANGE

U.S. COAL USED FOR ELECTRICITY GENERATION HAS INCREASED 170% SINCE 1970 AS KEY EMISSION RATES HAVE BEEN REDUCED BY 90%



Increase in Coal Used for Electricity



Reduction in Key Emission Rates

Advanced coal technologies are highly efficient, and result in **a key emissions rate that is two-thirds lower than the existing fleet** with carbon dioxide (CO<sub>2</sub>) emission rates as much as 25% lower than the oldest plants.

**2/3 LOWER EMISSIONS**

**COAL = LOW-COST POWER**

States that use the least amount of coal pay nearly twice the cost for electricity as the states that predominantly use coal for power.

<sup>5</sup> American Coalition for Clean Coal Electricity, “‘Climate Effects’ of Carbon Regulations for the U.S. Electric Sector,” May 2014.

<sup>6</sup> Management Information Services, Inc., “The Social Costs of Carbon? No, the Social Benefits of Carbon,” January 2014.