

## Energy-Producing States Coalition

### **Top priorities, goals or issues your state or industry would like to see addressed by an Energy-Producing States Coalition.**

1. Ensure that any greenhouse gas regulations for existing plants consist of rational policy for energy-producing states, including no economic penalties or constraints on economic growth in energy-producing states.
2. Consistency within energy producing states will be important to create a level playing field and maintain electric reliability.
3. Enable policy flexibility that recognizes differences between energy-producing states and other states, and differences among energy-producing states, in fuel resources, ages of plants, types and design of boilers, locations, remaining useful life and economic impacts.
4. Ensure that all requirements are achievable by technology that is adequately demonstrated, commercially available and economically viable.
5. Allow a policy mechanism(s) to provide appropriate credit to, and avoid penalizing, those who have taken early action and invested in research and development about the reduction and management of greenhouse gases.
6. Allow a policy mechanism(s) to recognize and properly account for greenhouse gas emissions and changes that result from other environmental and reliability regulations, including, but not limited to, plant closures.

### **Please provide an overview of your industry's positions on CAA Section 111(d) issues.**

#### **Reliable and Affordable Electricity Requires Dependence on Coal in the Future**

A key driver of economic growth and prosperity is reliable, affordable electricity made possible by baseload coal-fired power. The U.S. Energy Information Administration estimates that coal's share of U.S. electricity generation will be 38 percent in 2025 and 35 percent in 2040.

Internationally, coal remains an energy cornerstone. The International Energy Agency states "The importance of coal in the global energy mix is now the highest since 1971. It remains the backbone of electricity generation and has been the fuel underpinning the rapid industrialization of emerging economies, helping to raise living standards and lift hundreds of millions of people out of energy poverty." In proposing guidelines, EPA must not close off investments in coal or cause premature closures of coal-fired facilities, which may result in stranded investments in emission controls made pursuant to other environmental regulations.

#### **EPA Must Respect States' Rights**

EPA explains that "standards for currently operating plants are set through a federal-state partnership that includes federal guidelines and state plans to set and implement performance standards." EPA must respect states' rights and provide states with maximum flexibility and the most time possible to develop and implement satisfactory programs. The current proposed timeline is too aggressive.

**Requirements Must be Achievable with Adequately Demonstrated Technology**

Carbon capture and sequestration is not adequately demonstrated and carries enormous costs and parasitic loads. Fuel switching from coal to natural gas constitutes combustion of different fuel instead of application of a best system of emission reduction. Requirements created by states to comport with any EPA guidelines should reflect use of today's demonstrated technologies.

**EPA Must Minimize Negative Economic Impacts**

Increased costs of electric power, particularly in rural areas, has negative impacts on economic development and jobs. Because energy producing states have a percentage of coal-based generation that is higher than the electric utility average, negative economic impacts could be disproportionately high for the more than 900 cooperatives throughout the United States, and the approximately 42 million Americans who rely on the affordability of cooperative-generated electric power.