



Office of Energy Resources

EPA's Clean Power Plan Overview February 12, 2016

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Legal Update

- On Tuesday, February 9, 2016 the U.S. Supreme Court granted an application for a “stay” on implementation of the Clean Power Plan (CPP) pending legal review in the District of Columbia (D.C.) Circuit Court of Appeals, and ultimately likely the U.S. Supreme Court
- The DC Circuit is expediting the CPP review with oral arguments scheduled for June 2, 2016
- The OER, DEQ and PUC will continue monitoring the legal process as it unfolds

Clean Power Plan

- EPA proposes to regulate carbon emissions from existing power plants utilizing Section 111(d) of the Clean Air Act
- The regulation only applies to Electric Generating Units (EGUs) that meet certain criteria
- Idaho only has two EGUs, Langley Gulch near New Plymouth and Lancaster in the Rathdrum area
- However we import over 30% of our electricity from EGUs in neighboring states

CPP Rule

- On June 2, 2014, the EPA released the proposed Clean Air Act Section 111(d) rule and requested comment
- OER worked with the DEQ, PUC, and stakeholders to develop comments
- EPA released the final Clean Power Plan (111(d)) rule on August 3, 2015
 - Initial deadline for final plan submittal is in 2018, the compliance start date is 2022, and the final goal by 2030
 - If the CPP is upheld, at least the initial deadline is likely to be extended

Overview of the Final Rule

- States must submit their final state plan or a *non-binding* “initial plan submittal and request for extension” no later than September 6, 2016
- Initial analysis of the “Stay” indicates that this deadline will likely be pushed at least into 2017 and most likely beyond
- States that are granted an extension will have until September 2018 or later to submit a final state plan

Overview Continued

- Any statutory or rule changes necessary to implement a state plan would be brought to the Legislature during a future session
- States must choose one of two Compliance Pathways for their state – mass based or rate based
- States may potentially trade credits with other states that are on the same compliance pathway to accomplish compliance more efficiently

What Idaho Has Been Doing

- OER, DEQ and the PUC have been engaging with the other states, utilities, and various stakeholders throughout the Western Interconnection
 - Participating with 12 other states in discussions facilitated by Governor Ritter's Center for the New Energy Economy
 - Participating with the Western Interstate Energy Board in exploring compliance options and the potential for state cooperation to address increasing penetration of intermittent generation sources
 - Meeting with other states to discuss compliance pathways and potential trading scenarios

Final Thoughts

- OER, DEQ, and the PUC will continue to monitor the Clean Power Plan as it advances through the judicial system
- We will continue to explore which compliance options will work the best for Idaho, our utilities and ratepayers, should the CPP be upheld by the courts
- Regardless of what happens with the CPP, OER will continue to monitor the carbon regulation efforts in our neighboring states
 - These efforts may have the potential to affect the coal fired generation that Idaho depends on

Thank You
Questions?