

THE ROLE OF STATES

STATES DECIDE HOW THEY WILL CUT CARBON POLLUTION

On June 2, 2014, the U.S. Environmental Protection Agency, under President Obama’s Climate Action Plan, proposed a commonsense plan to cut carbon pollution from power plants. States, cities and businesses across the country are already taking action to address the risks of climate change, and EPA’s proposal recognizes this progress. The Clean Air Act creates a partnership between EPA and the states—with EPA setting a goal and the states deciding how they will meet it. Each state will choose the best set of cost-effective strategies for its situation. The Clean Power Plan will help maintain an affordable, reliable energy system, while cutting pollution and protecting our health and environment now and for future generations.

STATES GET TO DECIDE

- Before issuing the Clean Power Plan, EPA heard from more than 300 stakeholder groups, including states, utilities, labor unions, nongovernmental organizations, consumer groups, industry and others to learn more about what programs are already working to reduce carbon pollution. We learned that states are leading the way— especially through programs that encourage energy efficiency and renewable energy.
- States can choose to rely on measures EPA used to calculate the goal to varying degrees, as well as on other measures that were not part of the goal-setting analysis.
- States can choose to participate in multi-state programs that already exist or may create new ones
- States that have already invested in energy efficiency programs will be able to build on these programs during the compliance period to help make progress toward meeting their target.
- States can choose how to meet the goals – they have up to two or three years to submit final plans depending on whether they work alone or in partnership with other states and up to 15 years for full implementation of all emission reduction measures, after the proposed Clean Power Plan is finalized.
- States get to decide when individual power plants must make reductions.
- EPA’s guidelines also provide flexibility and encourage states to look across their whole electric system to identify strategies to include in their plans that reduce carbon pollution from fossil fuel fired power plants.
- Some of the measures states can choose to rely on in their plans include, but are not limited to:
 - demand-side energy efficiency programs
 - renewable energy standards
 - efficiency improvements at plants
 - co-firing or switching to natural gas
 - transmission efficiency improvements

- energy storage technology
 - retirements
 - expanding renewables or nuclear
 - market-based trading programs
 - energy conservation programs
- States can choose to integrate plans with the long-term planning and investment processes already used in this sector, and design them in ways that address region- and state-specific needs.
 - The proposal gives states significant flexibility to develop a program that addresses the unique needs of generators within each state. It provides states the ability to craft requirements that vary the timing and magnitude of reductions to address individual challenges that municipal utilities and rural electric cooperatives may face.
 - States can decide how to treat plants nearing the end of their useful life and how to help plants avoid “stranded investments.”
 - Together, the choices that states can make about when power plants must make reductions and about how they can do so will allow states to work with sources, planners and regulators to address individualized issues that may arise. The states and EPA will rely on the continued discussions with a broad variety of stakeholders – including utilities, Regional Transmission Operators, and state public utility regulators – to make sure all issues are appropriately considered and addressed.
 - By setting a state-specific goal and giving states the choice about what to include in their plans, EPA is ensuring that states have the flexibility they need to drive investment in innovation, while ensuring reliability and affordability.

FOR MORE INFORMATION

EPA will accept comment on the proposal for 120 days after publication in the Federal Register and will hold four public hearings on the proposed Clean Power Plan during the week of July 28 in the following cities: Denver, Atlanta, Washington, DC and Pittsburgh. The proposed rule, information about how to comment and supporting technical information are available online at: <http://www.epa.gov/cleanpowerplan>