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# States agree: EPA should give credit for early CO2 reductions

By [Eric Wolff](#)

States want the U.S. EPA to give them credit for past actions that lowered carbon dioxide emissions, an issue that united Democrats and Republicans at a U.S. House subcommittee hearing Sept. 9.

Against a backdrop of two new reports showing a record amount of atmospheric carbon dioxide and the impact of global warming on the natural world, a House panel heard testimony from state officials on the challenges of meeting the carbon dioxide reduction goals proposed by the EPA.

During the hearing, Republican legislators and officials from Texas, Arizona, Montana and Indiana decried the proposed carbon dioxide rule as impractical and ineffective, while Democrats and officials from Maryland and Washington defended the rule as reasonable and necessary. But both sides came together in their belief that the EPA should find a way to give states extra points for having gotten started before the federal government ordered them to do so.

"The rule doesn't offer a lot of credit to states that have taken action," noted Rep. Paul Tonko, D-NY.

## Global warming is already here

As part of a major policy initiative from President Barack Obama, the EPA released a suite of proposals in 2013 and 2014 intended to slash greenhouse gas emissions from power plants. The moves come against the backdrop of a world emitting huge amounts of greenhouse gases.

In a [report](#) released Sept. 9, the World Meteorological Organization, a specialized agency of the United Nations, [said](#) the amount of CO2 in the atmosphere hit a new record in 2013, up 142% from 1750, a marker of the preindustrial era. Carbon dioxide, methane and other chemicals in the atmosphere trap heat in the earth, leading to increases in global temperatures, unusual weather patterns and melting of the polar ice caps. There has been a 34% increase in "radiative forcing," or warming, between 1990 and 2013, the WMO's annual Greenhouse Gas Bulletin said.

The effects of the greenhouse gases are already being felt by the world's wildlife. The National Audubon Society said in a report released Sept. 9 that half of North American bird species, including the bald eagle and Baltimore oriole, are threatened by climate change, with some in danger of losing half of their range by 2050.

"Our model predicts that 314 North American bird species face the risk of extinction before the end of this century," the society said in the ["Birds and Climate Report."](#)

At the hearing, David Danner, chairman of the Washington Utilities and Transportation Commission, said global warming is affecting his state right now.

"Warmer winters are allowing forest and crop pests to reproduce longer and suffer less winter die-off; as a result pine bark beetle populations are booming, and these beetles are now devastating large tracts of forest land in British Columbia and northeast Washington," he said in his opening remarks. "Large forest fires have increased from an average of six per year in the 1970s to 21 per year in the last decade."

## EPA acts

The United States is the second-largest emitter of greenhouse gases, and the power sector is the single largest source of U.S. emissions. The EPA has proposed rules to reduce emissions, one each for [new](#), [modified](#) and [existing](#) power plants. The existing power plants rule has provoked the most opposition from Republicans and some states. The proposal calculates a carbon reduction goal for each state and grants states wide latitude in meeting those goals. It will generally fall to state environmental or air pollution agencies to write state plans and implement the proposal.

The hearing, hosted by the Energy and Power subcommittee of the House Committee on Energy and Commerce, focused on state perspectives on the proposed rule. Four of the witnesses came from state utility regulatory commissions, and two, from Arizona and Indiana, from state environmental offices.

## States divided over the rule

Officials from Arizona, Indiana, Texas and Montana all expressed concern that the EPA's recommendations conflict with each other.

"[Big Stone](#) in South Dakota, which serves my constituents in Montana ... is in the process of upgrading its air quality control system at a cost of nearly \$400 million," said Travis Kavulla, a commissioner at the Montana Public Service Commission. "In order to control emissions, 8 MW of plant will have to be dedicated to running the pollution control equipment, causing carbon emissions to increase. In other words, to comply with one EPA rule, it endangers Big Stone's ability to obtain the efficiency upgrades that are assumed possible by the proposed EPA [carbon dioxide] rule."

But for Danner and fellow witness Kelly Speakes-Backman, a commissioner for the Maryland Public Service Commission, the proposed carbon dioxide rules can be met with a variety of mechanisms that will both reduce emissions and promote the economy.

"Maryland has reduced emissions from the power sector by 40% and seen its economy grow by 7%," Speakes-Backman said.

States like Washington, Maryland and Texas have been reducing their carbon emissions through a variety of means for years, while other states have made few policy moves to reduce their contributions to global warming. Regardless of what they have done, most states want credit for anything they did to reduce emissions in advance of federal rules.

"Some states, like Texas, have had an enormous amount of reduction since 2005," said Ken Anderson, a commissioner of the Public Utility Commission of Texas. "We were one of the first states to build out energy efficiency goals in [the [Electric Reliability Council of Texas Inc.](#)] We run much cleaner because the market squeezes inefficiency out of plants."

Others had similar remarks: Kavulla highlighted plant heat-rate improvements at coal plants that were going uncredited, Speakes-Backman opined on a preference for an earlier baseline year to account for more reductions, and Danner pointed out his state's renewable energy standard and efficiency goals.

But in the EPA's view, early action by states is no reason to make it easier to meet carbon reduction goals. Early action just makes it easier for states to meet the targets.

"EPA's Clean Power Plan is about moving forward," a spokeswoman said in an email. "Energy efficiency and renewable programs that are already in place provide states with two key benefits: 1) Taking additional steps will be easier for states who already have the needed infrastructure in place to continue ramping up their programs. 2) For the energy efficiency and renewable programs already in place, states can get credit for these programs to the extent that they continue to reduce carbon emissions throughout the compliance period of the proposed plan, which is 2020 to 2029."

If states were to get credit for early action, it would likely take the form of moving the baseline year. Anderson, in an interview after the hearing, said 2012 was a strange year because gas prices were the lowest that year, so gas plants were dispatched ahead of coal. Since natural gas has lower carbon content than coal, states' emissions might have been artificially suppressed. Speakes-Backman said in her testimony that 2012 was a big year for storms on the East Coast, so states had to run their plants more than usual.

But shifting the baseline does not solve the states' gripe on its own.

"Does that mean if the EPA changes to 2005, the goal will be that much higher?" Speakes-Backman said in an interview. "What would be our goal if 2005 was the baseline?"

The EPA spokeswoman said the agency welcomes comments until the October deadline on this and all other issues related to the proposed rule.