



Department of
**Environment &
Conservation**

TDEC Update on EPA's Clean Power Plan

Joint Government Operations Committee

December 16, 2015

Federal Actions Reducing Carbon Emissions from Power Plants

EPA issued on August 3, 2015:

- Final Clean Power Plan
 - Establishes nationally uniform CO₂ emission performance rates based on BSER for **fossil fuel-fired electric steam generating units** and **natural gas combined cycle units**
 - States with affected **existing** electric generating units (EGUs) required to **create and submit plan** for compliance with standards
- Proposed Federal Plan and Model Rules for state compliance with Clean Power Plan

Final Clean Power Plan – Changes from Proposal

EPA heard Tennessee:

- Eliminated under-construction nuclear and existing biomass from goal calculations (still included as compliance measure)
- Compliance timeline begins in 2022 instead of 2020
- BSER phased in gradually throughout compliance period; state flexibility to determine own glide path
- State flexibility to determine means of compliance demonstration
- Extension option for final plan submittal

Clean Power Plan Uniform Emission Performance Rates and Tennessee's Proposed and Final Clean Power Plan Goals

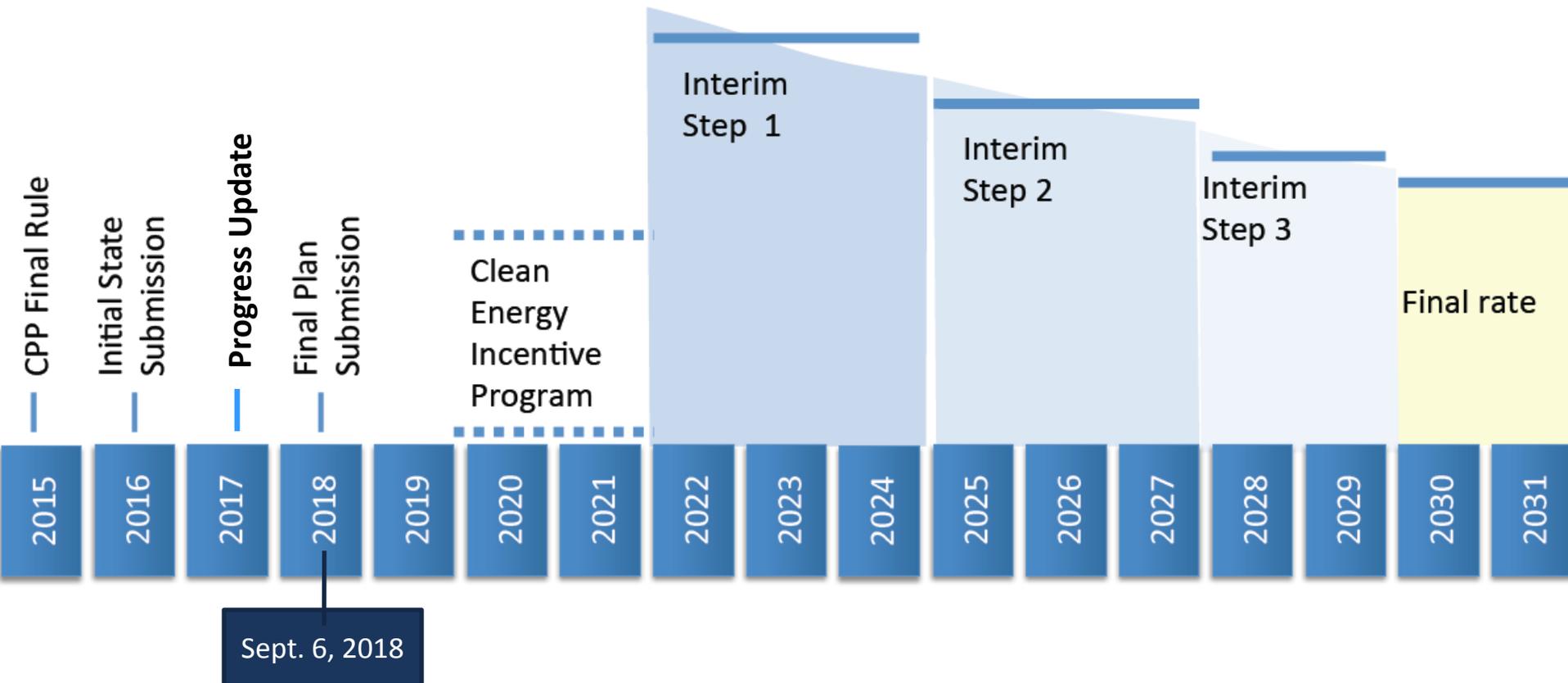
	Fossil steam (lb/MWh)	NGCC (lb/MWh)
2030 Final Uniform Emission Performance Rate	1,305	771

Tennessee Proposed and Final Clean Power Plan Goals				
	Rate-Based (lb/MWh)		Mass-Based (Short Tons)	
2012 Baseline Emissions	2,015		41,222,026	
2020 EPA Projections (without CPP)	1,517		44,738,549	
	Proposed	Final	Proposed	Final – Existing Only**
Interim Goal 2022-2029	1,254*	1,411	24,624,000	31,784,860
Step 1 (2022-2024)		1,531		34,118,301
Step 2 (2025-2027)		1,380		31,079,178
Step 3 (2028-2029)		1,275		29,343,221
2030 and Beyond Final Goal	1,163	1,211	22,837,000	28,348,396

*Proposed interim goal was for 2020-2029

**EPA also issued a mass-based goal for existing and new units, which is excluded from this slide.

Clean Power Plan Compliance Timeline



Source: Nicholas Institute for Environmental Policy Solutions

Initial Submittal and Extension Request Requirements

1. Identification of final plan approach(es) under consideration and description of progress to date on final plan components
2. Explanation of why additional time required to submit final plan
3. Demonstration or description of opportunity for public comment on initial submittal and opportunities for meaningful engagement with stakeholders, including vulnerable communities, during initial submittal preparation
4. Describe plans for plans for public engagement during final plan development

*If state wishes to participate in Clean Energy Incentive Program, include non-binding statement of intent to participate

Initial Submittal Stakeholder Outreach

- Clean Power Plan Webpage
- Web-based Comment Form
- Public Information/Listening Sessions
- Air Board Updates
- Other Outreach Opportunities as Requested
- Identifying Vulnerable Communities
- Opportunity to Review and Comment on Draft Submittal

Clean Power Plan – Proposed Federal Plan and Model Rules

- Readily available path forward for Clean Power Plan implementation options for states
- Two Model Rules—presumptively approvable; finalized summer 2016
 - Mass-Based
 - Rate-Based
- Two Federal plans—similar to model rules, but less flexible
 - Finalized when state fails to submit approvable plan
 - Only one approach to be finalized (rate **OR** mass)
 - States can take over aspects of federal plan or submit approvable plan at later date to exit federal plan
 - Limits state decision-making

Tennessee Perspective

- Final Clean Power Plan
 - EPA heard several of Tennessee's more significant concerns
 - Evaluating various compliance options and impact on electric system generation in Tennessee
 - Seeking input from numerous stakeholders—TVA, LPCs, Legislature, industry and business communities, citizens, etc.
 - Formal public outreach likely to commence Spring 2016
 - Likely to seek 2-year extension
- Proposed Model Rules and Federal Plan
 - Currently reviewing proposal and determining areas of concern or support; submit comments by 1/21/2016
 - Federal plan as proposed limits state decision-making

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Questions?