

## CONSERVATION AND THE ENVIRONMENT

### Carbon Dioxide Emissions (Note)

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The U.S. Environmental Protection Agency's, or EPA's, final Clean Power Plan regulates carbon dioxide emissions from existing fossil fuel-fired power plants under Section 111 of the Clean Air Act. The [final version](#) of this regulation, published in October 2015, includes a number of key changes from the [proposed rule](#), including an adjusted state plan and implementation schedule, alterations to the "building blocks" on which individual state targets are based and the promotion of interstate trading options. While the overall Clean Power Plan seeks to reduce carbon dioxide emissions from this sector by 32 percent by 2030, each state faces a different target. This controversial rulemaking (as of Oct. 30, 2015, 26 states had filed legal challenges to the final rule) has prompted states to consider legislation directing how state environmental agencies and other officials respond or comply.

Under the final rule, states must provide the EPA with an initial plan in September 2016, but may receive a two-year extension for the final plan, which will obligate the state to make federally enforceable emissions reductions between 2022 and 2030. If a state does not submit a satisfactory plan approved by the EPA, a federal plan will be imposed by the agency. As a result of the structure of the Clean Power Plan and its efforts to seek emissions reduction throughout the electricity system, governors, environmental agencies, public utility commissions, energy offices and legislatures have all been actively involved in determining their path forward.

Many state legislatures have considered bills to provide direction to executive branch agencies or to establish legislative review procedures for state plans submitted pursuant to the Clean Power Plan. In 2015, more than 30 states introduced bills dealing with compliance under the plan. In April 2014, Kentucky enacted [House Bill 388](#), which authorizes the state's Energy and Environment Cabinet to set separate standards for coal- and natural gas-fired power plants, but directs the state to consider economic effects, set reasonable standards and avoid measures that regulate "outside the fenceline," including requirements to switch from coal. West Virginia's [House Bill 4346](#), also enacted in 2014, establishes similar factors and considerations to be reflected in a state plan. In 2015, West Virginia [House Bill 2004](#) required an examination of whether compliance was feasible and created a process for legislative approval of a state plan.

In 2014, Louisiana enacted [Senate Bill 650](#), the Louisiana Carbon Dioxide Emission Fossil Fuel-Fired Electrical Generating Units Control Act, to limit compliance to options available at each power plant and require less stringent alternatives based on consumer impacts, unreasonable costs, physical implementation difficulties and other factors. Missouri enacted [House Bill 1631](#) to determine standards regarding carbon emissions regulations on a case-by-case basis. Later in 2015, [Senate Bill 142](#) was enacted to require an implementation impact report be submitted to the legislature and others 45 days before the state sent compliances to the EPA for the Clean Power Plan or other major environmental regulations. Pennsylvania established [House Bill 2354](#), which requires approval of the state implementation plan by the General Assembly before submission to the EPA.

In light of the new timelines under the final Clean Power Plan, many additional state legislatures are expected to be actively involved in state plan considerations in 2016 and 2017.