

**Opening Statement of the Honorable Fred Upton**  
**Subcommittee on Energy and Power**  
**Hearing on “EPA’s Proposed Carbon Dioxide Regulations for Power Plants”**  
**June 19, 2014**

*(As Prepared for Delivery)*

EPA’s proposed new regulations for existing power plants cap off a comprehensive federal regulatory agenda aimed at electricity generation and use. But this is not the first Obama administration takeover of a major sector of the economy. That distinction goes to the Affordable Care Act, and we are only beginning to see what a disaster that is turning out to be.

The rollout of EPA’s proposed rule makes me think the administration has learned virtually nothing from its health care mistakes.

Once again, we see a Washington power grab of a highly complex and critical sector of the economy that affects every American consumer without thinking through all of the consequences.

Once again, we see only murky assertions as to legal authority, as to what will be required, and as to how this unprecedented regulatory scheme will work in practice.

Once again, the preferences of consumers and job-creating businesses are taking a back seat to the dictates of NGOs and federal bureaucrats.

And once again, the administration is making promises that costs won’t go up, choices won’t be reduced, rationing won’t be imposed, and jobs won’t be jeopardized.

The Clean Power Plan is essentially the same for energy as the Patient Protection and Affordable Care Act was for health. Maybe the administration isn’t concerned about repeating the health law’s mistakes at the American people’s expense, but this subcommittee certainly is. We are going to ask the tough questions that need to be asked at this hearing and in the months ahead.

With this proposed rule, EPA – an agency with no energy policy authority or expertise and under questionable statutory interpretation – has now placed itself above state governments and public utility commissions on electric generation issues, not to mention the DOE, FERC, and other federal agencies.

EPA’s explanation of how states can comply reveals how unworkable its proposal is. To take just one example, the agency assumes that nuclear power will play a key role in helping states comply in the coming years. At the same time, the Obama administration is aggressively limiting the future of nuclear power in the United States and has virtually ensured declining nuclear capacity in the years ahead.

The agency also says that states could sharply ramp up the use of natural gas to replace coal in electric generation. But this won’t be possible without more natural gas pipelines, and new pipeline projects face Keystone-style opposition. The House passed H.R. 1900, the Natural Gas Pipeline Permitting Reform Act, to bring certainty and accountability to the natural gas pipelines permitting process, but the president opposes it.

There are also serious questions about implementation and enforcement. EPA offers up demand side management as another means to help meet its requirements. In other words, states can comply by reducing demand for power. But exactly how is the government going to force businesses and homeowners to reduce their electricity use? The very idea of energy rationing raises serious issues that need to be addressed.

The impact of the EPA’s proposed rule on electricity costs is of particular concern to me, not only for middle-class homeowners struggling to pay their utility bills, but also for domestic manufacturers

competing in a global marketplace. Needless to say, few if any other industrialized nations are currently seeking to impose anything like the Obama administration's Clean Power Plan on their industries. In fact, European nations that experimented with similar measures found them to be costly and ineffective and are now on the path to weakening them. We should be learning from Europe's mistakes, not repeating them.

As with the health law, another train wreck is coming - unless Congress does something about it. It's time to start being honest with the American people about this expensive power plan, and that process begins with today's hearing.

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