



**American  
Public Power  
Association**

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January 13, 2014

The Honorable Ed Whitfield  
2184 Rayburn House Office Building  
Washington, D.C. 20515

Dear Chairman Whitfield:

On behalf of the American Public Power Association (APPA), I am writing to express our support for H.R. 3826, the Electricity Security and Affordability. APPA is the national service organization representing the interests of over 2,000 community-owned, not-for-profit electric utilities. These utilities include state public power agencies, municipal electric utilities, and special utility districts that provide electricity and other services to over 47 million Americans.

APPA believes the issue of global climate change needs to be addressed, but not through the existing Clean Air Act (CAA), which was created to address criteria pollutants for human health protection. The Act is not appropriately designed for regulation of carbon dioxide (CO<sub>2</sub>) or other greenhouse gases (GHG). In spite of the obvious problems with regulating GHGs under the Act, the Environmental Protection Agency (EPA) has decided to go forward with its efforts to regulate such gases from new and existing fossil-fuel fired power plants. EPA's re-proposed New Source Performance Standards (NSPS) for GHG emissions from new power plants will effectively preclude the use of coal as a fuel source for electricity generation going forward. Its expected regulation of existing sources is also likely to harm residential, commercial, and industrial electric customers by significantly increasing electricity costs, as well as impact electric reliability in certain parts of the country.

EPA's re-proposed NSPS for new power plants inappropriately mandates that utilities wanting to invest in new coal-fired generation utilize carbon capture and sequestration (CCS) technology to reduce CO<sub>2</sub> emissions based on four projects that are not currently operational and have not been commercially demonstrated. According to several APPA studies, it is unlikely that these projects will be commercially demonstrated anytime soon given the myriad of regulatory hurdles impeding the sequestration of CO<sub>2</sub> in the U.S. In addition, all of these projects are tied to enhanced oil and gas recovery (EOR), which will not be an option for most new coal-fired power plant locations. APPA has repeatedly expressed its concerns with EPA regarding the many obstacles to commercial demonstration of sequestration for power plants in non-EOR locations. These concerns have been summarily ignored.

APPA is pleased you have introduced legislation to effectively prevent EPA from mandating the use of CCS technology to reduce CO<sub>2</sub> emissions from new coal-fired power plants until such technology has been shown to be commercially available and demonstrated at commercially operated coal-fired power plants. APPA would respectfully request that the subcommittee consider amending the language in the bill to ensure EPA cannot mandate the use of CCS on

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new natural gas-fired power plants until it has been commercially demonstrated as well. While the re-proposal does not mandate the use of CCS on natural gas-fired power plants, APPA members are very concerned that such a requirement could be imposed in the final rule or the next eight-year NSPS review by the agency.

We are also pleased the legislation acknowledges the important oversight role Congress should have over NSPS for existing fossil fuel-fired power plants. EPA is not required to set an existing source NSPS for electric generating units (EGUs). However, the President has directed the agency to do so. APPA is strongly concerned that such a standard could significantly increase electricity costs, as well as impact electric reliability in certain parts of the country. The likelihood of these negative impacts will increase substantially if the NSPS is based on un-commercialized and/or undemonstrated technologies, such as CCS and/or if the standard is implemented too quickly.

Until Congress enacts new legislation to address climate change on an economy-wide basis that properly balances environmental goals with impacts on consumers and the economy, APPA is supportive of measures to provide direction to EPA regarding the establishment of NSPS for GHG emissions from new and existing fossil fuel-fired power plants. Thank you for your leadership on this important issue affecting electric utilities. I hope you will feel free to contact me or the APPA government relations staff with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Crisson". The signature is fluid and cursive, with the first name "Mark" being more prominent than the last name "Crisson".

Mark Crisson  
President & CEO

cc: The Honorable Fred Upton  
The Honorable Henry Waxman  
The Honorable Bobby Rush

MC/DW