EPA Must Act Now To Limit Greenhouse Gas Emissions From Power Plants and Oil Refineries

Power plants and oil refineries account for nearly 40 percent of the nation's greenhouse gas (GHG) emissions — more than two billion tons per year. This global warming pollution is causing dangerous heat waves, rising sea levels, stronger storms and floods, and devastating droughts, thereby threatening the public health and welfare of current and future generations.

The Environmental Protection Agency must act without delay to issue standards limiting GHG emissions from these two key stationary sources of global warming pollution.

Background

- **U.S. Supreme Court Ruling** (April 2007). In *Massachusetts v. EPA*, the Supreme Court ruled that carbon dioxide and other GHGs meet the definition of air pollutants under the Clean Air Act. Soon thereafter, several states, municipalities, and environmental groups sued EPA to compel the agency to set performance standards for GHG emissions from electric generating units (EGUs) and oil refineries.
- **Endangerment Finding** (December 2009). EPA determined that GHG concentrations in the atmosphere threaten the public health and welfare of current and future generations.
- **Clean Cars Rule** (April 2010). Based on this endangerment finding, EPA finalized GHG emissions standards for light-duty motor vehicles.
- **Permitting Requirements for Large Stationary Sources** (May 2010). EPA issued rules incorporating GHGs into the New Source Review (NSR) permitting process. The rules require new and substantially modified power plants, refineries, factories and other large GHG emitters to show that they make use of the best available control technology (BACT) to minimize GHG emissions.
- **Settlement Agreements** (December 2010). EPA entered into two settlement agreements requiring the agency to incorporate GHG emissions into the New Source Performance Standards (NSPS) for new and modified EGUs and petroleum refineries and to provide the states with emissions guidelines for existing EGUs and refineries. The settlement agreements also established a timeline for compliance.
- **Timeline for Compliance**. EPA agreed to propose performance standards and emissions guidelines for EGUs by July 26, 2011, and to issue final regulations by May 26, 2012. For refineries, the agency agreed to issue proposed regulations and emissions guidelines by December 15, 2011, and to finalize these rules by November 15, 2012.
- **Status**. EPA postponed release of the draft rule for EGUs and is negotiating with states and environmental groups to set a new timetable for issuing the standards. The agency is also negotiating a new schedule for proposing rules for refineries. In November, EPA submitted proposed new standards for EGUs to the Office of Management and Budget for its review.

EPA Rulemaking Is Science-based, Reasonable, and Essential

EPA regulation of GHGs is based on the overwhelming weight of climate science. In *Massachusetts v. EPA*, the Supreme Court ruled that EPA must regulate GHGs if the agency determined, based on the science, that these gases endanger the public health or welfare. EPA conducted a thorough assessment and found a broad scientific consensus supporting an *endangerment finding*.

EPA performance standards rely on control strategies that are available and cost-effective. The Clean Air Act requires EPA to set performance standards for new and modified sources that cause or contribute to air pollution that may endanger the public health or welfare. The standards are to be based on the best demonstrated technology (BDT), taking into account costs, energy use, and health and environmental impacts. EPA has stated its intention to coordinate its GHG rules with its regulations of other pollutants that are emitted with the GHGs. This will enable facilities to develop strategies to reduce all pollutants more efficiently and economically than if they were to address the pollutants separately.

Benefits of Clean Air Act regulations consistently outweigh the costs. EPA's periodic, scientifically reviewed studies all show that the public health, environmental, and economic benefits of programs and standards required by the Clean Air Act significantly exceed the costs of regulation.[1]

Environmental regulations generally cost far less than predicted. Researchers report that both EPA and industry tend to overestimate compliance costs, often because they underestimate the potential of technological innovations to minimize abatement costs.[2] Other research shows that spending on environmental protection both creates and displaces jobs, but that the net effect on employment is positive, and that the costs of pollution abatement are only a small fraction of total manufacturing costs.[3]

Polls consistently find strong support for EPA action to address carbon pollution. A bipartisan survey of likely 2012 voters conducted in February 2011, for example, found that three out of four voters support the EPA's setting stricter limits on specific air pollutants, including mercury, smog and carbon dioxide.[4] Similarly, an October 2011 national poll found 69 percent of Americans in favor of the EPA's limiting carbon pollution from power plants and industrial facilities.[5]

The U.S. must begin immediately to substantially reduce its GHG emissions. A diverse panel of climate scientists, business leaders and politicians, working at the behest of Congress, recently concluded that "the environmental, economic, and humanitarian risks of climate change indicate a pressing need for substantial action to limit the magnitude of climate change and to prepare to adapt to its impacts." In calling for prompt action, the panel noted that, "given the inertia of the energy system and long lifetime associated with most infrastructure for energy production and use, . . . *the most effective strategy is to begin ramping down emissions as soon as possible*."[6]

---

[1] Benefits and Costs of the Clean Air Act, at http://www.epa.gov/air/sect812/

[2] *How Accurate Are Regulatory Cost Estimates?* W. Harrington et al, (Resources for the Future, 2010), at http://www.rff.org/wv/Documents/HarringtonMorgensternNelson_regulatory%20estimates.pdf

[3] EPA White Paper (2011), at http://www.epa.gov/ocir/pdf/hottopics/2011_0208_white_paper.pdf

[4] Survey conducted by Democratic polling firm Greenberg Quinlan Rosner Research and Republican firm Ayres, McHenry & Associates for the American Lung Association, at http://www.lungusa.org/healthy-air/outdoor/resources/clean-air-survey.html

[5] Survey conducted by Public Policy Polling for the Natural Resources Defense Council, League of United Latin American Citizens, and the League of Women Voters of the U.S., at http://www.nrdc.org/media/2011/111013.asp

[6] *America's Climate Choices*, National Academy of Sciences, Summary (2001). Full report available at http://www.nap.edu/catalog.php?record_id=12781