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DEPARTMENT OF ENVIRONMENTAL PROTECTION



Office of Waste, Air, Radiation & Remediation

Pennsylvania Section 111(d) White Paper

Energy-Producing States Summit

Bismarck, ND

April 16, 2014

▶ PA White Paper Section 111(d)

If EPA develops emission guidelines, it should be done under Section 111(d).

- Similar to State Implementation Plan (SIP)
- States have authority to establish Standards of Performance
- Flexibility

▶ PA White Paper Section 111(d)

Emissions guidelines should be developed in close consultation with the states.

- Emissions guidelines program must recognize state leadership and authority to provide maximum flexibility to regulate pollutants within their borders.
- EPA should develop emissions guidelines
- Multi-State/Regional Programs

▶ PA White Paper Section 111(d)

The emission guidelines should address emission reductions achievable within the “fence line” of the affected facilities.

- Only “Affected” 111(d) sources
- “Non-affected” 111(d) sources, maybe
 - Quantification
 - Enforceable
 - Continue
- Energy Efficiency

PA White Paper Section 111(d)

Emissions guidelines should provide for emission reductions compared to a designated baseline period.

- Mass Based Program
- 2005 Baseline Year
 - All quantifiable and enforceable reductions must be recognized, including power plant retirements.
 - Early reductions must be recognized and credited.
- Accumulation
- True Up
- Multi-Year Compliance Demonstration

▶ PA White Paper Section 111(d)

EPA must recognize the different makeup of existing power generation in each state and allow for flexible compliance pathways or mechanisms.

- Competitive vs. Rate-based
- Independent System Operators and Regional Transmission Organizations, ISO/RTO - Stay in Your Own Space!
- Consideration of electric generators with benefits beyond CO2 emissions.

▶ PA White Paper Section 111(d)

Minimal changes to New Source Review (NSR) must be made to allow optimization of efficiency improvements.

- Change NSR applicability test
- Current test provides absurd results
- Lb/MW hr vs. tons/year
- Critical to success of program

▶ PA White Paper Section 111(d)

Everybody Wins

- Efficiency investments provide an economic benefit to investor
- Results in lower costs
- Results in lower prices
- Result in lower emissions
 - All pollutants

▶ PA White Paper Section 111(d)

Everybody Wins (cont.)

- Preserves grid reliability
- Provides for benefit across all sectors
- Allows all sectors to invest in energy efficiency
- Results in emission reductions from non-affected sectors

▶ PA White Paper Section 111(d)

Everybody Wins (cont.)

- Improves competitiveness
- Preserves jobs
- Expand jobs
- Expands economy



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