IAMU Comments on Proposed EPA Rule to Regulate CO₂ Emissions from Existing Power Plants

IAMU on December 1st submitted comments on the U.S. EPA’s proposed rules to regulate carbon dioxide emissions from existing power plants under Section 111(d) of the Clean Air Act. The rules, as proposed in June 2014, set state specific goals for reducing carbon emissions from existing fossil fuel power plants. IAMU’s comments address the issues of broad concern to Iowa’s municipal electric utilities as well as support the comments submitted by individual member utilities and affiliated joint action agencies. Highlights of the comments are included below.

- Utilities must be granted credit for early action.
- The timeline for implementation of the rule is unrealistic and should be extended.
- The “front-loading” of the CO₂ reduction goals make the interim goals unrealistic. The interim goals should be eliminated or delayed until 2025.
- Implementation of rule should not force early retirement of existing plants and leave utilities with stranded costs.
- Implementation of rule must not affect reliability.
- Implementation of heat rate improvements of 6% for smaller coal power plants operated by Iowa’s municipal utilities is unrealistic.
- Iowa’s municipal utilities do not own any natural gas combined cycle power plants, and cannot shift generation to these plants.
- Utilities must receive credit for all renewable energy resources in their portfolio regardless of the location of the resources.
- Based on past experience of municipal utilities offering energy efficiency programs, an ongoing 1.5% annual incremental energy savings is unrealistic.

IAMU’s submission of comments is part of IAMU’s ongoing work to engage with EPA officials and state agencies, including the Department of Natural Resources and the Iowa Utilities Board, improve the workability of the proposed rule for Iowa’s municipal electric utilities. IAMU’s Executive Director, Troy DeJoode, addressed EPA officials at listening session held in Denver in July. In his comments DeJoode stressed that the proposed rule must not adversely affect the affordability or reliability of electricity that families and businesses rely on.

IAMU staff, along with representatives from utilities and joint action agencies, has participated in two joint stakeholder meetings with the Iowa Utility Board and Department of Natural Resources in July and September. In addition, IAMU staff met one-on-one with IUB staff to discuss specific challenges.
municipal utilities would have implementing the proposed rule. As a result of the meetings between state agencies, IAMU, municipal utilities, and joint action agencies, the State of Iowa comments to the EPA rules address several issues of specific concern to municipal utilities.

IAMU appreciates the opportunities for engagement with the EPA and State agencies on the proposed rule, and is committed to continuing the dialogue to advocate on behalf of its members. Following the close of the comment period, EPA is anticipated to finalize the rule in June 2015. IAMU will continue to engage with state regulators and stakeholders to help craft a state implementation plan that is workable and affordable.