ECONOMY DERAILED
STATE-BY-STATE IMPACTS OF THE EPA REGULATORY TRAIN WRECK
WWW.REGULATORYTRAINWRECK.COM
Founded in 1973

The nation’s largest non-partisan association of state legislators. ALEC boasts more than 2000 state legislators from all 50 states.

Our state legislators share a common commitment to the Jeffersonian principles of individual liberty, limited government, and free markets.
ALEC has eight Task Forces which serve as public-policy laboratories where legislators develop model policies to use across the country.

**Energy, Environment and Agriculture**

- 170 State Legislators from 40 different states
- Over 60 state legislators serve as chair or vice chair of their respective energy, environment or natural resource committees
- Over 60 private sector members from variety of industries
Economy Derailed

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“Mercury and Air Toxics Standards that will protect millions of American families and, most importantly, millions of children from air pollution.”

“...this is a great victory for public health – especially for the health of our children.”

“Behind all the numbers are pregnant mothers who can rest a little easier that their children won’t be exposed to harmful levels of mercury...”

EPA Administrator unveiling the MATS regulation at the Children’s National Medical Center.
A former EPA Assistant Administrator for Air and Radiation explains: “Even if you could eliminate all the mercury emissions in the U.S. completely, from every source of mercury pollution, you would have almost no impact on people’s exposure.”

The EPA’s highest benefit estimate for the mercury reduction is $500,000 to $6 million per year.

Its cost estimate is $10.9 billion per year.

Costs of the proposed rule outweigh benefits roughly 1800 to 1.

The EPA’s analysis for the Utility MACT Rule indicates that only two percent of mercury deposition in the United States is attributable to coal-fired power plants.
NITROGEN DIOXIDE LEVELS IN THE U.S., 1980-2010

AVERAGE CONCENTRATION (ppb)
PARTICULATE MATTER (PM10) CONCENTRATIONS IN THE U.S., 1990-2010

AVERAGE MICROGRAMS PER CUBIC METER (µg/m³)

FINE PARTICULATE MATTER (PM2.5) CONCENTRATIONS IN THE U.S., 2000-2010

Average micrograms per cubic meter (µg/m³)


Graph shows a downward trend in average micrograms per cubic meter from 2000 to 2010.
### Change in National Average Ambient Levels and Emissions 1980-2008*

<table>
<thead>
<tr>
<th>POLLUTANT</th>
<th>AMBIENT</th>
<th>EMISSIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carbon Monoxide (CO)</td>
<td>-79%</td>
<td>-58%</td>
</tr>
<tr>
<td>Ozone** (O3)</td>
<td>-25%</td>
<td>-49%</td>
</tr>
<tr>
<td>Lead (Pb)</td>
<td>-92%</td>
<td>-96%</td>
</tr>
<tr>
<td>Nitrogen Oxide</td>
<td>-46%</td>
<td>-40%</td>
</tr>
<tr>
<td>Sulfur Dioxide</td>
<td>-71%</td>
<td>-56%</td>
</tr>
<tr>
<td>Particulates (PM10), 1985-2008</td>
<td>-31%</td>
<td>-46%</td>
</tr>
<tr>
<td>Fine Particulates (PM2.5), 1985-2008</td>
<td>-31%</td>
<td>-46%</td>
</tr>
</tbody>
</table>

Source: EPA and Regulatory Trainwreck Publication

*Except for PM10 and PM2.5

**The emission measure here is volatile organic compounds (VOCs), a principal ozone precursor

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**EPA’s Air Quality Index (AQI)**

The AQI is a metric used for declaring days on which the air is “unhealthy” for sensitive people (children, the elderly, and people with respiratory ailments) in metropolitan areas.

“In just 10 years (1999–2008), the AQI declined almost 63 percent, meaning that there are 63 percent fewer days that air quality is unhealthy for sensitive populations.”
Why Energy Prices Matter?

• “Prosperity depends upon reliable, affordable access to energy...”
  — Steven Chu, Secretary of Energy, 2009

• “Access to electricity is strongly correlated with every measurable indicator of human development.”
  — Berkeley Science Review, 2008

• “predicted mortality trends associated with air quality regulations that increase energy costs show trends an order of magnitude greater than the estimated benefits.”
  — John Hopkins University
Why Energy Prices Matter?

Fossil-fuel prices at electric generating units, 1998-2012
($ per Million BTU)
Why Energy Prices Matter?

Households that earn less than $50,000 per year:

• Spend more on energy than on food

• Spend twice as much on energy than on health care

• Spend more on energy than on anything else except for housing.

Nearly 50 percent of U.S. households earn less than $50,000 per year.
THE CAUSES OF ECONOMIC DERAILMENT

- Utility MACT (MATS)
- Boiler MACT
- Cross-State Air Pollution Rule
- Cooling Water Intake Regulation
- Coal Ash Regulation
- Regulation of Hydraulic Fracturing
- Ozone Regulation
- Mining Restrictions and Regulations
- Greenhouse Gas Regulations
Utility MACT (MATS)

- ...retrofits for up to 753 electricity-generating units.
- ...more than 15 gigawatts of electricity could be forced into early retirement.
- ...no new coal plants are likely to be built.
Boiler MACT

- ...would risk nearly 800,000 jobs.
- Every billion dollars spent on compliance costs will put 16,000 jobs at risk and reduce U.S. GDP by as much as $1.2 billion.
- Not a single health benefit has been estimated for the hazardous air pollutants that this rule was intended to address.
Cross-State Air Pollution Rule

• ...could threaten 7 gigawatts with early retirement.

• ...cost of compliance could run up to $120 billion by 2015.

• In order to justify the regulation, the EPA used outdated data to inflate the nonattainment areas by 1,200 percent.
Cooling Water Intake Regulation

• ... could affect more than 1,000 coal, oil steam, and gas steam generating units.

• ....could threaten up to 41 gigawatts with early retirement, and would also affect electric reliability across the country.
Coal Ash Regulation

- ... EPA estimates average regulatory cost, for the next 50 years could be **$1.5 billion per year**.

- Other estimates have found that the price tag could run up to **$20 billion annually**.

- .... Up to **250 to 350 coal units could be shut down**.
Coal Mining Restrictions and Regulation

- Due to power plant closures alone, **27,000 jobs could be lost, and the industry itself could take an almost $15 billion hit.**

- According to the Department of Interior, the rewrite of the stream buffer zone would eliminate **7,000 coal mining jobs, and coal mining would decline or stay flat in more than 20 states.**
Greenhouse Gas Regulations

On March 27, the EPA proposed a carbon dioxide standard for new power plants.

“This proposed rule is consistent with the President’s goal to ensure that ‘by 2035 we will generate 80 percent of our electricity from a diverse set of clean energy sources.’”

EPA Administrator Lisa Jackson says this regulation is to “move us into a new era of American energy.”
The EPA readily admits that CCS is not viable without a massive infusion of taxpayer dollars stating: "**New coal-fired power plants with CCS are being permitted and built today, albeit usually with considerable financial assistance from the federal government.**"

The EPA itself admits this ends coal: "**...new fossil-fuel fired capacity constructed through 2020 will most likely be natural gas combined cycle capacity along with a small amount of coal with CCS supported by federal funding.**"
Greenhouse Gas Regulations

GHG regulation will increase U.S. energy costs:

- increases of **50 percent for gasoline and residential electricity prices**
- **75 percent for industrial electricity prices**
- **600 percent for electric utility coal prices**

<table>
<thead>
<tr>
<th>Study</th>
<th>Legislation Analyzed (Proxy for EPA GHG Regulation)</th>
<th>Year of Impact</th>
<th>Fewer Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy Information Administration</td>
<td>H.R. 2454</td>
<td>2030</td>
<td>2.3 Million</td>
</tr>
<tr>
<td>National Black Chamber of Commerce</td>
<td>H.R. 2454</td>
<td>2050</td>
<td>3.6 Million</td>
</tr>
<tr>
<td>National Association of Manufacturers/ACCF</td>
<td>H.R. 2454</td>
<td>2030</td>
<td>2.44 Million</td>
</tr>
<tr>
<td>Heritage Foundation</td>
<td>H.R. 2454</td>
<td>2035</td>
<td>2.5 Million</td>
</tr>
<tr>
<td>Institute for Energy Research</td>
<td>Kerry/Leiberman American Power Act</td>
<td>2050</td>
<td>5.1 Million</td>
</tr>
<tr>
<td>ACCF/Small Business &amp; Entrepreneurship Council</td>
<td>Kerry/Leiberman American Power Act</td>
<td>2030</td>
<td>Up to 1.9 Million</td>
</tr>
</tbody>
</table>
## Economy Derailed Highlights

<table>
<thead>
<tr>
<th>Top Ten States Impacted</th>
<th>Total Jobs at Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Illinois</td>
<td>38,382</td>
</tr>
<tr>
<td>2. West Virginia</td>
<td>36,542</td>
</tr>
<tr>
<td>3. Ohio</td>
<td>33,997</td>
</tr>
<tr>
<td>4. Alabama</td>
<td>28,520</td>
</tr>
<tr>
<td>5. Michigan</td>
<td>27,445</td>
</tr>
<tr>
<td>6. Indiana</td>
<td>26,259</td>
</tr>
<tr>
<td>7. Pennsylvania</td>
<td>24,956</td>
</tr>
<tr>
<td>8. Tennessee</td>
<td>22,652</td>
</tr>
<tr>
<td>9. Kentucky</td>
<td>22,484</td>
</tr>
<tr>
<td>10. North Carolina</td>
<td>21,587</td>
</tr>
</tbody>
</table>

![Map showing top 10 states impacted by the EPA](image-url)
**Economy Derailed Highlights**

<table>
<thead>
<tr>
<th>Top Five States Impacted</th>
<th>Total Mining Jobs at Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Kentucky</td>
<td>7,157</td>
</tr>
<tr>
<td>2. Wyoming</td>
<td>4,701</td>
</tr>
<tr>
<td>3. West Virginia</td>
<td>3,190</td>
</tr>
<tr>
<td>4. Texas</td>
<td>2,539</td>
</tr>
<tr>
<td>5. Alabama</td>
<td>1,745</td>
</tr>
</tbody>
</table>

*These are jobs lost due to power plant closures caused by only five EPA regulations.*
**Economy Derailed Highlights**

<table>
<thead>
<tr>
<th>Top Ten States</th>
<th># of Power Plant Shutdowns</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Ohio</td>
<td>13</td>
</tr>
<tr>
<td>2. Pennsylvania</td>
<td>10</td>
</tr>
<tr>
<td>3. Texas</td>
<td>8</td>
</tr>
<tr>
<td>4. Kentucky</td>
<td>8</td>
</tr>
<tr>
<td>5. Missouri</td>
<td>7</td>
</tr>
<tr>
<td>6. West Virginia</td>
<td>6</td>
</tr>
<tr>
<td>7. Virginia</td>
<td>6</td>
</tr>
<tr>
<td>8. North Carolina</td>
<td>6</td>
</tr>
<tr>
<td>9. Iowa</td>
<td>6</td>
</tr>
<tr>
<td>10. Oklahoma</td>
<td>5</td>
</tr>
</tbody>
</table>

*Over 130 major power plants across the nation could be shut down due to pending EPA regulations. This affects reliability and price of electricity.*
Economy Derailed Highlights

Top Ten States | Potential Electricity Rate Increase

1. Iowa | 32%
2. Michigan | 30%
3. Indiana | 30%
4. West Virginia | 28%
5. North Dakota | 27%
6. Nebraska | 27%
7. Wyoming | 26%
8. Missouri | 23%
9. Louisiana | 23%
10. Arkansas | 23%

Electricity rates could increase **10.35 percent on average** due to just five EPA regulations. **Eleven states could see rate increases of over 20 percent.**
Economy Derailed Highlights

Broad and Diverse Coalition Opposed to EPA Overreach

- 32 current and former governors and lieutenant governors
- 27 groups of state and local officials
- 16 labor unions
- 17 state legislative bodies
- Ten state agencies
- 57 trade associations

This coalition represents millions of workers, thousands of state officials, tens of thousands of companies, thousands of counties, more than 19,000 cities, villages and towns and thousands of state legislators across the country.
Tools for State Legislators

- ALEC Model Resolutions
- ALEC Model Legislation
- Legal Means
- Press Opportunities
Resolution Opposing EPA’s Regulatory Train Wreck
Questions?

Todd M. Wynn
Energy, Environment, and Agriculture Task Force Director
American Legislative Exchange Council
1101 Vermont Ave, NW, 11th Floor
Washington, D.C. 20005
Direct: (202) 742-8542
twynn@alec.org

www.regulatorytrainwreck.com