American Coal Council

Environmental Protection Agency Public Hearing
Washington, DC
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Review of Standards of Performance for Greenhouse Gas Emissions from New, Modified, and Reconstructed Stationary Sources: Electric Utility Generating Units

Statement of Betsy Monseu, CEO, American Coal Council

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My name is Betsy Monseu, and I am CEO of the American Coal Council (ACC). The ACC is a trade association in its 37th year representing the collective business interests of the American coal industry. Our members include coal suppliers, transportation companies, terminals, utilities and independent power providers, industrial consumers, and support services suppliers. They span the entire coal supply chain. They touch every aspect of turning coal, one of America's most abundant energy resources, into reliable and affordable electricity.

Thank you for the opportunity to address the Environmental Protection Agency's (EPA) proposal to amend the 2015 new source performance standards (NSPS) for greenhouse gases from stationary sources. ACC is encouraged that EPA is taking a more reasonable approach with this proposal than in 2015 when EPA established a Best System of Emission Reduction (BSER) requiring partial carbon capture and storage (CCS). Ultimately, the partial CCS requirement of the 2015 rulemaking has acted as a ban on the development of new coal plants. There was widespread and well-documented disagreement with EPA's position in 2015 that CCS was adequately demonstrated at commercial scale for electric generating units (EGUs).

EPA is now addressing the flaws in the 2015 rule, and we support the determination that CCS is not the BSER. We support EPA's proposal for the BSER to be supercritical steam conditions for large EGUs and best available subcritical steam conditions for small EGUs in combination with the best operating practices. This is a pragmatic approach for environmental policy. It can also

help to sustain power sector fleet diversity. Such diversity is critical to the continued ability to supply reliable, resilient and affordable electricity to American homes and businesses.

Our plentiful U.S. coal reserves, larger than any other country in the world, must continue to be available as a fuel source for power generation. The Polar Vortex of 2014, the Bomb Cyclone of 2018, and now the Polar Vortex of 2019 clearly demonstrate the importance of power sector fleet and fuel diversity.

In the winter, natural gas needed for home heating is the top priority for the use of that fuel. During periods where electricity demand surges in response to cold weather, there simply may not be enough gas for both home heating and electricity generation. In late January 2019, due to significant strains on and issues with natural gas systems during a bitterly cold period, electricity conservation measures had to be instituted in parts of the Upper Midwest. Residents were asked to turn thermostats down to 63 degrees or even lower. The country's three largest automakers were requested to cut electricity use, and subsequently cancelled shifts and idled assembly plants and other facilities.

Absent policy changes that better support fleet and fuel diversity, the risk of these types of incidences and interruptions will increase. No one wants that, but neither should anyone expect that retiring additional coal and nuclear plants and relying even more on just-in-time fuel and intermittent generation sources will provide the same system reliability and resilience experienced in the past.

This is why EPA's proposal to revise the NSPS standards is important and timely. EPA's BSER under this proposed rule preserves a pathway for advanced new coal power plants. Other countries have moved ahead in constructing these advanced coal plants, but the U.S. is lagging in deployment of this high efficiency, low emissions power plant technology. This is in no small part due to past EPA policies and regulations.

As ACC continues to consider the specific standards set forth by EPA in this proposal, the emission rates of 1900 pounds per megawatt-hour for new large units and 2000 pounds per megawatt-hour for new small units may need further review to determine if an adequate compliance margin exists under various load and operating conditions.

ACC appreciates EPA's undertaking of this NSPS rulemaking. Thank you for your attention today.