

EPA's Vision and Realities: Clean Air Policies for Stationary Sources



Overview of Presentation



- Administration's Agenda: Energy and the Environment
- EPA's Vision
- The Importance of Energy Efficiency and Enabling and Breakthrough Technologies
- Role for Offsets

Overview of Presentation



- Criteria and Other Pollutants are Important Too!
- Pathways to Achieve EPA's Vision
- Realistic Expectations
- Role of ICAC and Member Companies

Administration's Agenda: Energy and the Environment



- Transform the United States to a clean energy economy
 - Deploy the cheapest, cleanest fastest energy source—energy efficiency
 - Develop and deploy clean coal technology
 - 10% of electricity from renewable sources by 2012, and 25% by 2025
- Reduce greenhouse gas emissions through an economy-wide-cap-and-trade program
 - To 1990 levels by 2020
 - To 80 % below 1990 levels by 2050

EPA's Vision



- Today's environmental challenges present an unprecedented opportunity for transformation of the capital stock in the upcoming years
- Anticipate transformation in the following areas:
 - Large industrial sources—particularly in the electricity generation sector
 - Mobile sources
 - State and local measures to address energy efficiency, land use and transportation planning to reduce vehicle miles traveled

EPA's Vision



- Design policies that encourage energy efficiency and development of broad-range of cost-effective technologies across the energy and transportation sectors
- Policies should foster competition and a level playing field for existing and new breakthrough technologies and best practices to encourage the development of the best performing technologies, rather than picking technology winners

Energy Efficiency and Enabling Breakthrough Technologies



- The path begins with energy efficiency improvements as a foundation for the development and use of a portfolio of enabling and breakthrough technologies
- There is no silver bullet—a broad portfolio of existing technologies, best practices and new breakthrough technologies are needed
- Cost and timing of technology availability matters

Role of Offsets



- Offsets will likely play key role to manage costs of GHG reductions
- Technologies that enable GHG reductions for sources not subject to regulation present opportunities
- Integrity of offsets are critical

Criteria and Other Pollutants are Important Too!



- Clean Air Interstate Rule
 - Replacement rule under development
- Utility MACT Standard for Coal and Oil-Fired Power Plants
- Utility Boiler NSPS
- Other NSPS

Pathways to Achieve EPA's Vision



- Clean Air Act
- Legislation
- Complementary use of both paths

Clean Air Act



- Actions Taken Thus Far
 - Advanced Notice of Proposed Rulemaking re: Regulation of Greenhouse Gases Under the Clean Air Act (July 30, 2008)
 - EPA agreed to reconsider California's emissions waiver request (February 6, 2009)
 - EPA agreed to reconsider interpretive memo re: applicability of PSD Program to GHGs (February 17, 2009)
 - Proposed Mandatory Greenhouse Gas Reporting Rule (March 10, 2009)
 - Proposal to find that greenhouse gases in the atmosphere threaten the public health and welfare of current and future generations (April 17, 2009)

Clean Air Act



- The July 2008 ANPR
 - Examined and solicited comment on the CAA provisions that could be used to reduce GHGs, and the interconnection among those authorities
 - Identified issues relevant for Congress to consider for future climate change legislation and potential for overlap between future legislation and CAA regulation
 - Provided information re: potential regulatory approaches and technologies for reducing GHG emissions

Clean Air Act



- EPA can do a lot to address climate change using existing authorities in Clean Air Act , particularly for mobile sources and stationary sources in key sectors
- Reduction achieved under any CAA strategy should be cost-effective and complement opportunities for greater reductions in future, either through regulation or legislation

Legislation



- Legislation to address climate change is preferable
- National-cap-and-trade program would push technology, using the power of the market place (e.g., pay price for emissions and get benefits/credits if you go below allocation)
- EPA has experience implementing a cap-and-trade-approach under the Acid Rain Program– the approach effectively encouraged technology transformation at costs below projected estimates in the utility sector

Complementary Use of Both Paths



- There are a number of near term actions that could be taken under the Clean Air Act to address GHGs
- These actions are available today, without legislation.
- Actions could serve as the building blocks to mitigate GHGs now and push the development and accelerated use of enabling and breakthrough technologies.
- These near term actions could complement and serve as a bridge to more comprehensive GHG legislation in the future

Realistic Expectations



- Cost and timing of technology matters
- It's the economy stupid
- Need to harmonize interface between GHG legislation and existing CAA
- Public acceptance

Some Parting Thoughts...Role of ICAC and Member Companies



- An unprecedented opportunity for companies that supply air pollution monitoring and control systems and services for stationary sources
- Technology...its timing of availability and cost will be a key factor in shaping regulatory approaches and national legislation
- Don't forget importance of offsets
- Engage in regulatory and legislative process
 - Clean Air Act Advisory Committee's Advanced Coal Technology Work Group
- Data, data, data

Questions or Comments?



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