



Connecticut Department of Energy and Environmental Protection



Overview of EPA's Proposed Clean Power Plan and Connecticut's Comments

December 8, 2014



Connecticut Department of Energy and Environmental Protection

Clean Power Plan Proposed June 18, 2014

- Clean Power Plan (“CPP”) proposal is for states to reduce CO2 emissions rate from subject, existing fossil fuel electric generating units (EGUs) to meet a final state goal in 2030 (lb/MWh)
- States are provided the option to convert their “rate” to a mass (tons/yr) and to submit multi-state and/or regional plans, e.g. RGGI cap
- CPP is unlike any Air rule ever proposed by EPA
 - Stated limits lower than New Source standards and can’t be met by traditional command and control approaches
 - Units themselves don’t necessarily have to meet the emissions limits
- States develop and implement plans that specify the regulatory and policy tools used to achieve compliance

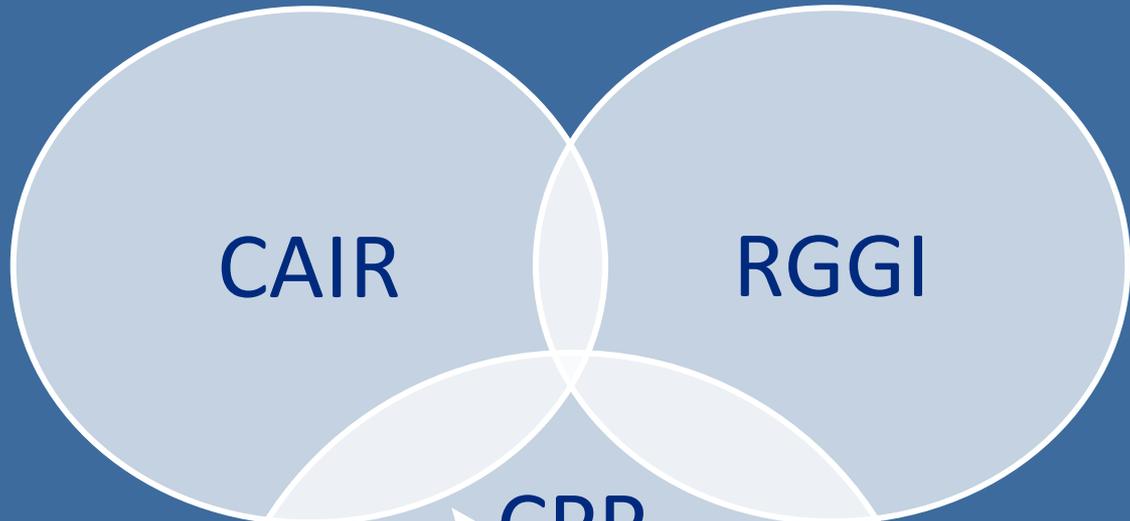


Important Dates

- December 1, 2014 – Deadline for Comments
- June 30, 2016 – Initial plan or complete plan due
- June 30, 2017 – Complete individual plan due if state is eligible for a one-year extension
- June 30, 2018 – Complete multi-state plan due if state is eligible for two-year extension (with progress report due June 30, 2017)
- Compliance period for interim goals begins 2020
- Compliance period for final goal begins 2030



Energy Efficiency, Renewables, New Gen. Key to Meeting Goal



Keys to Meet Carbon Goals:

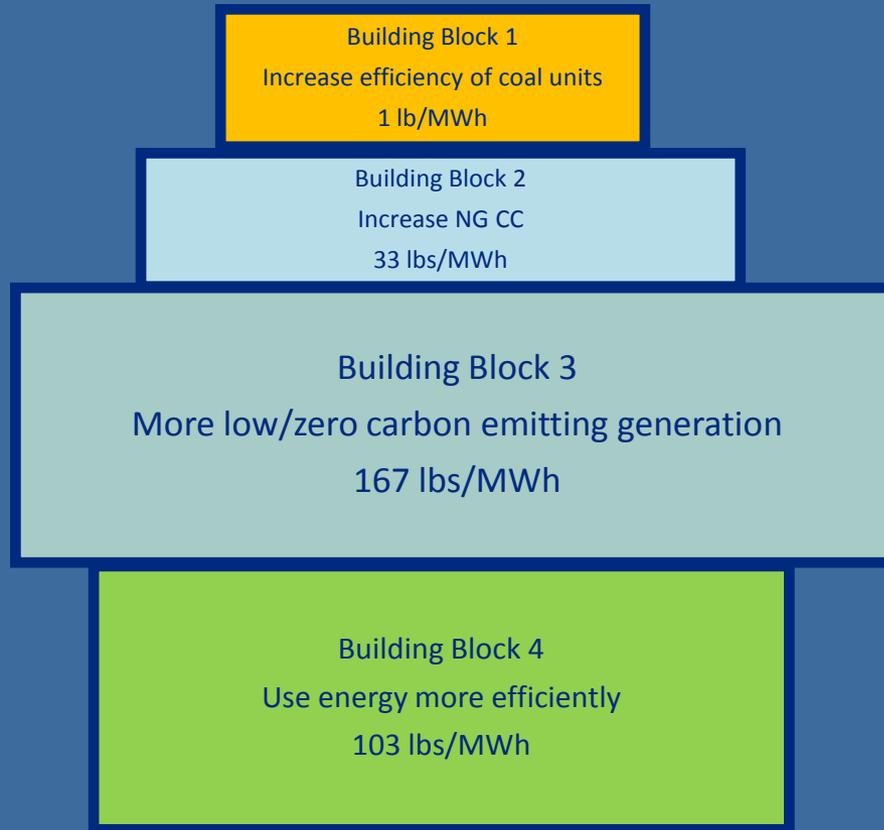
- Nuclear Generation
- Energy Efficiency
- Renewable Generation
- New gas generation

- CPP**
- Algonquin Windsor Locks
 - Bridgeport Energy 1 &2
 - Bridgeport Harbor Station 3
 - Capitol District Energy Center
 - Kleen Energy U1 &U2
 - Lake Road Generating LRG1-LRG3
 - Middletown 2-4
 - Milford Power Project 1 &2
 - Montville Station 5&6
 - New Haven Harbor 1

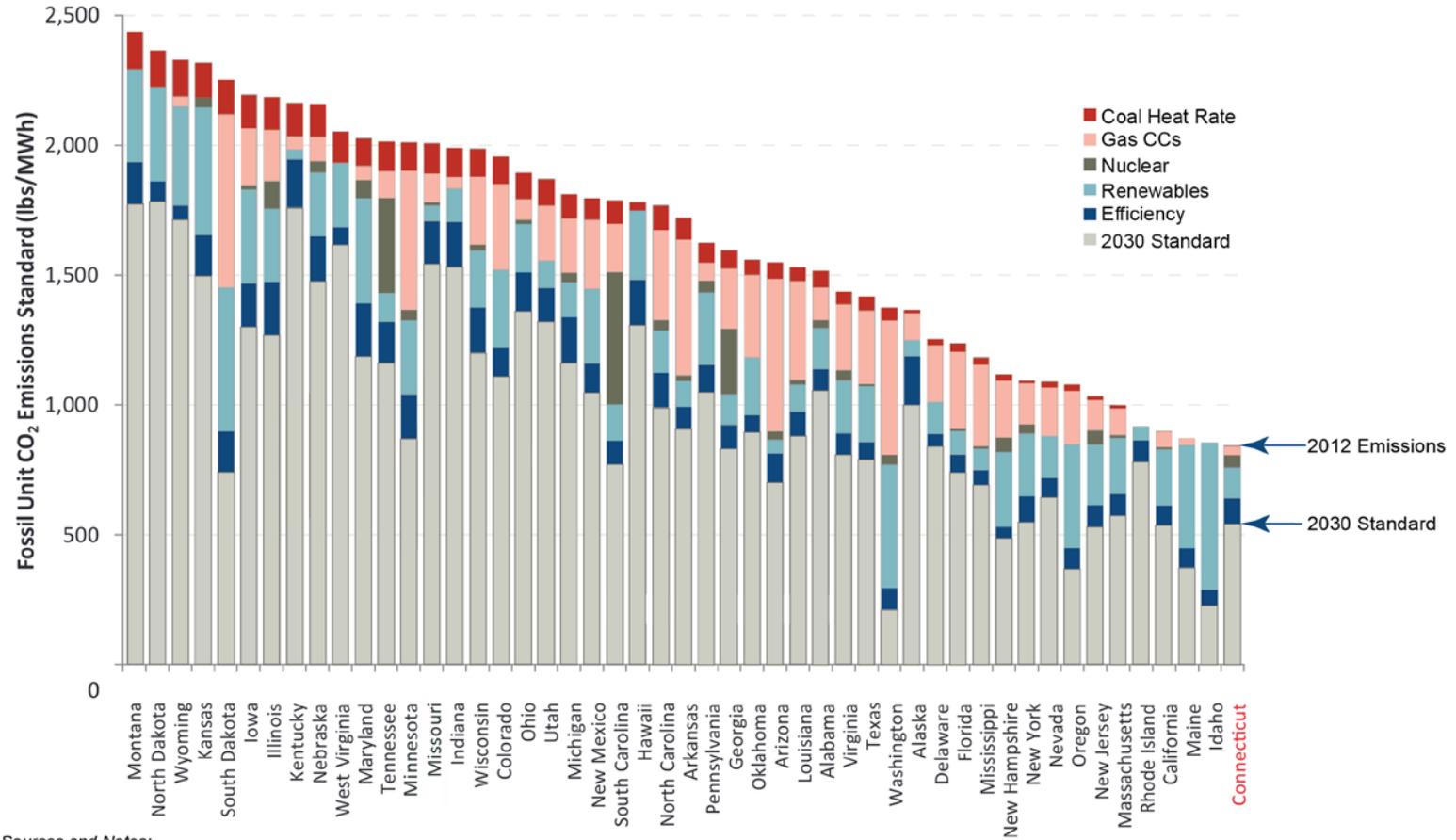


EPA State Goal Calculation

- Connecticut's proposed 2030 state goal is 540 lbs/MWh.
- EPA's starting point = 844 lbs/MWh
 - » Values associated with each block are the reduction achieved through that block from the starting point.



Connecticut Starts with Very Low State Emissions



Sources and Notes:
 Reflects Option 1 final rate for years 2030 and on, from EPA Technical Support Document: Goal Computation and Appendix1.
 Source: EPA's Proposed Clean Power Plan: Implications for States and The Electric Industry. The Brattle Group. Policy Brief. (<http://www.brattle.com/news-and-knowledge/news/684>) June 2014

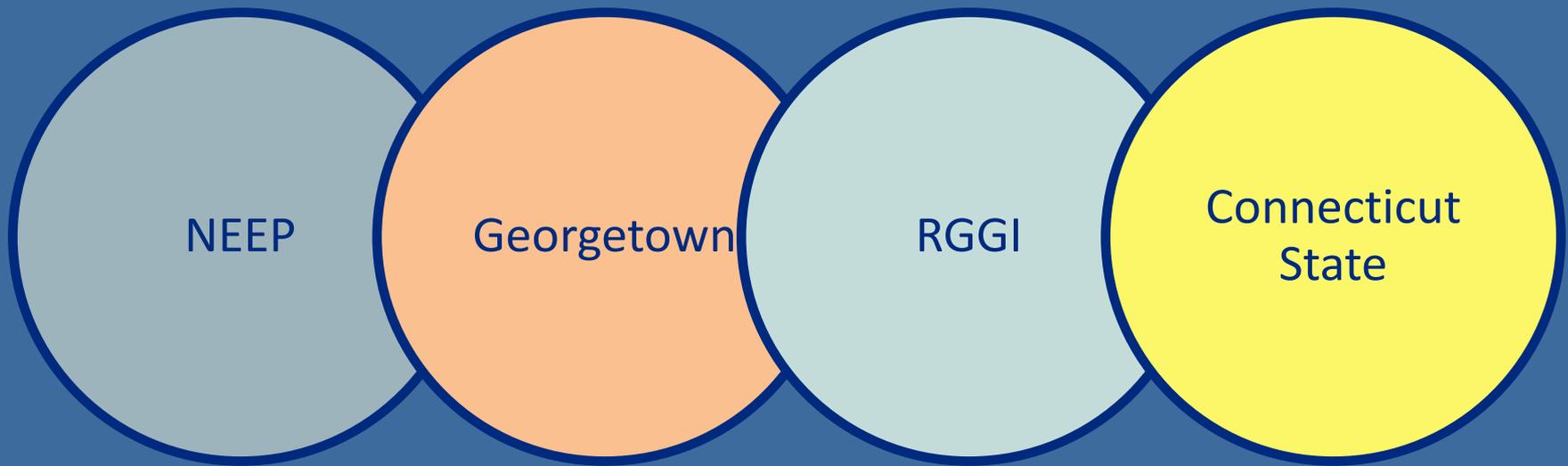


Connecticut's Comments



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Comments Connecticut Joined



Highlights of State Comments

- Connecticut is a leading state and has accomplished significant GHG reductions since 2005
- Connecticut Supports the Rule
 - Need to do something as effects of climate change already being felt
 - Supports the building block approach
 - Believes more can be achieved especially from states that have not been proactive
 - Opposes any changes that would reduce stringency



Highlights of State Comments

- Building Block Implementation
 - EE and RE have played a key role in reducing state emissions of CO₂ and other pollutants
 - Connecticut does not support EPA's suggestion that 100% of incremental RE and EE supplant existing fossil generation – Not our experience
- Maintain proposed compliance period
 - Support early reduction credits so long as does not reduce stringency of CPP



Highlights of State Comments

- EPA must work with states on the rate to mass conversion
 - RGGI experienced with modeling EPA should work with states to understand growth and dispatch
- Support including the heat rate improvements of coal fired EGUs as part of the CPP
- Support the redispatch from coal and oil to natural gas in BB2 as Connecticut did it in less time than required under the CPP



Highlights of State Comments

- “At-Risk” nuclear included within BB3 should be removed
 - Whether nuclear is economically competitive is largely outside state control → if included needs to be an “off-ramp” for retirements outside of state control
 - Despite high percentage nuclear generation in Connecticut, Connecticut does not support crediting existing or under construction nuclear generation



Highlights of State Comments

- EPA should be consistent as to what is considered zero carbon in goal setting and in compliance
 - Waste-to-Energy generation should be credited as zero carbon for the interim compliance period
- Connecticut does not support proposed RE targets based upon average of existing regional RPS requirements
 - RPS not intended to exclusively reduce CO₂, existing RPS not correlated with potential, RPS is regionally based while targets are state based, state RPS are distorted by inclusion of existing hydro generation



Highlights of State Comments

- Connecticut supports alternative techno-economic approach to RE targets
 - Does not support RE targets based upon regionalized RE potential as development of out-of-state generation is outside state's control
 - Prefer regional RE potential to RPS based targets



Highlights of State Comments

- Support EE as part of CPP
 - States that have limited or no existing programs should be asked to do more than is asked in the proposed rule
 - Some credit should be given to EE measures that have been put in place prior to compliance period that are still realizing savings
 - There should be consistency across states on measurement and verification of EE measures
 - Generally only well vetted EE measures should be credited



Highlights of State Comments

- RE and EE measures should be credited for compliance in the same way they were calculated to set state rates
- EPA must be careful to avoid double counting of RE and EE



Highlights of State Comments

- State Plans
 - Support EPA templates
 - Support guidance on emission projections – states must justify their assumptions
 - State plans should be allowed to have the EGUs being the compliance entity – Not opposed to state commitment model



Questions



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