Biomass & the Clean Power Plan

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S.C. Department of Health and Environmental Control
Regulation of Carbon

• In the absence of Congressional action addressing climate change (i.e., national cap & trade, carbon tax), EPA has begun regulation under the CAA.

• Until the announcement of President Obama’s Climate Plan, EPA regulation focused only on permitting of major sources of GHGs...... proceeding now with emission standards for new and existing power plants under Section 111 of the CAA.
EPA’s Clean Power Plan
“Take Aways”

• Most complex, most challenging rule yet
  – “Like no other”
    – Emotionally/politically charged, legal questions
    – SC responses (political, legal, technical)

• “Not your ordinary state implementation plan”….goes beyond air quality..
  – Will be a STATE PLAN, NOT A DHEC PLAN

• Every single stakeholder in SC has a vested interest in this rule and how SC responds
SC DHEC’S Strategy

• Energy coalition formed August 2013: DHEC, Utilities, ORS, Electric Cooperatives, Energy Office, Environmental Conservation Groups, EJ Community Leaders, Clean Energy/EE groups,....

• Efforts to shape/improve EPA’s proposed & final rule
  – DHEC and ORS comments – proposed rule

• Important to SC: flexibility, credit for early actions, maintain affordable reliable energy

• Prefer state compliance plan (SIP) versus the alternative...a federal plan (FIP)...

• States have their own unique approaches: including, just say “no”, rely on litigation
SC’s “Culture”

• Prefer voluntary efforts versus mandates
• Thrive on acknowledgement or kudos for voluntary efforts (want credit for early actions)
• State specific plan preferred – over the alternative....a federal EPA plan for SC....”FIP Happens”
Every state has their own approach to this rule....SC’s

A Dialogue/Collaborative Spirit....not a....
Status of SC coal-fired units – by 2018 (pre Clean Power Plan)

- Significant reduction of coal fired generation capacity
  - Switch to natural gas and shutdowns
  - Significant emission reductions, including GHGs
- 12 of 26 coal units will remain
- All remaining 12 units have full suite of emission controls
- Nuclear generation increasing to meet load needs
The Final Clean Power Plan

• EPA “listened” to SC stakeholders
  – Credit for under construction nuclear
  – More time to submit a state compliance plan
    • 13 months vs 3 years
    • Final plan due September 2018
  – More time to comply….glide path vs “The Cliff”, compliance begins 2022
  – More flexibility
  – Less stringent state target
Other Observations…

Final Clean Power Plan

• Now that the final rule is out, the FOCUS has shifted from EPA to the states…..(our reactions, our approach and our state compliance plans.)

• Community engagement is front and center
Meaningful Engagement with Vulnerable Communities

- “Effective engagement between states and affected communities is critical to the development of state plans.”

- Final rule includes requirements for “meaningful” engagement with low-income, minority and tribal communities in state plans.
CPP Community Components

• Clean Energy Incentive Program
  – Wind & Solar
  – Encourages EE in “low-income” communities

• State/Community Resources
  – EJ Screening Report; Proximity Analysis
Timing of State Plan Submittals

Step 1

• **September 6, 2016**: States must submit final plan or seek a 2 yr extension or receive a “FIP”
  
  – Extension approval requires 3 components:
  
  1. Approaches under consideration, including description of progress made to date
  2. Explanation why we need more time
  3. Demonstration of meaningful public involvement opportunities, including vulnerable communities (includes public comments – initial submittal)

• Non-binding statement of intent (CEIP)
Timing of State Plan Submittals
Step 2 (Check-in)

- **September 6, 2017**: Check-in for states who receive an extension – documentation of progress and steps already taken (schedule & list of final plan components not complete)
  - Commitment to 1 compliance approach
Where Do We Go From Here?

- Sept – Dec: Review and submit comments to EPA on the model rules, the federal plan, and the E&MV guidance
- Begin modeling of different state compliance pathways
- Broader engagement of the public and vulnerable/EJ communities