



March 18, 2011

Air and Radiation Docket and Information Center
Environmental Protection Agency
Mail Code: 6102T
1200 Pennsylvania Avenue NW
Washington, DC, 20460

Submitted via email to a-and-r-Docket@epa.gov

Re: Docket ID: EPA-HQ-OAR-2011-0090

The Business Council for Sustainable Energy (BCSE, the Council), an industry coalition of electric utility, energy efficiency, renewable energy, and natural gas businesses and trade associations,ⁱ respectfully submits the following comments to the docket for greenhouse gas (GHG) New Source Performance Standards (NSPS) for Fossil Fuel Fired Power Plants.

As a note, the BCSE is a diverse coalition and not all BCSE members necessarily support or endorse the recommendations below.

The BCSE continues to advocate that EPA consider—where legally appropriate—the role that existing clean energy technologies and fuels can play in achieving the goals of Clean Air Act regulation. In respect to the development of GHG NSPS for fossil fuel fired power plants, including emissions guidelines under Clean Air Act (CAA) Section 111(d), the BCSE urges EPA to use an output-based approach to setting emission standards and to provide clear guidance to the states regarding how climate and clean energy programs might show equivalency with federal emissions guidelines.

Output-Based Standards

The Council has long supported the development and use of output-based emissions regulations as effective ways to promote long-term air quality and to encourage cost-effective emissions reductions. As EPA itself has noted, output-based regulations better reward and drive energy efficiency improvements than do input-based approaches.ⁱⁱ In its Prevention of Significant Deterioration and Title V Permitting Guidance For Greenhouse Gases, EPA has identified the crucial importance of increased energy efficiency as a means to reduce GHG emissions.ⁱⁱⁱ EPA can further drive efficiency and cost-effective emissions-reductions by using an output-based approach to setting GHG emissions standards.

As noted in comments filed by BCSE member The Alliance to Save Energy, many other NSPSs include output-based approaches, including the NSPSs for: Utility Steam Generating Units (40 CFR Part 60 Subpart Da) for mercury, particulate matter, sulfur dioxide (SO₂), and nitrogen oxides (NO_x); for Industrial/Commercial/Institutional Boilers (40 CFR Part 60 Subpart Db) for NO_x; and for Stationary Combustion Turbines (40 CFR Part 60 Subpart KKKK) for SO₂ and NO_x.

The BCSE commends EPA for its increased use of output-based standards and encourages the Agency to continue this approach in the GHG NSPS.

Clarity to States Seeking Equivalency through Section 111(d)

The BCSE encourages EPA to craft clear guidance to the states identifying the requirements for programs to be considered eligible for equivalency under Section 111(d). Discussion during the third

listening session held in Chicago on February 17 indicated interest from a number of states to potentially use existing clean energy and climate programs to regulate emissions from existing sources through Section 111(d). Many of the legal and technical issues involved in that debate have been analyzed by the World Resources Institute and the Columbia Law School Center on Climate Change in their report "What's Ahead for Power Plants and Industry? Using the Clean Air Act to Reduce Greenhouse Gas Emissions, Building on Existing Regional Programs."^{iv} The BCSE encourages EPA to keep in mind the diversity of existing state and regional programs as it crafts guidance for what could be deemed to meet the requirements for 111(d) equivalency, including issues such as the permissibility and potential restrictions on allowance trading (including across sectors and across state and national borders), banking, and offsets. Clear guidance will allow states to move forward with confidence and will give certainty to business.

As a final note, the BCSE thanks EPA for holding the series of listening sessions ahead of developing proposed NSPS for GHG emissions from the utility and refinery sectors. A number of BCSE members were able to participate in these sessions and each discussion helped shed light on important issues.

The BCSE thanks you for the opportunity to submit these written comments.

Sincerely,



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ⁱ The Business Council for Sustainable Energy (BCSE) is a coalition of companies and trade associations from the energy efficiency, natural gas and renewable energy sectors, and also includes independent electric power producers, investor-owned utilities, public power, commercial end-users and environmental market service providers. Founded in 1992, the Council advocates for policies at state, national and international levels that increases the use of commercially-available clean energy technologies, products and services. The coalition's diverse business membership is united around the revitalization of our economy and creation of a secure and sustainable energy future for America. Learn more at www.bcse.org.

ⁱⁱ "Output-Based Environmental Regulations Fact Sheet," EPA Combined Heat and Power Partnership (April 12, 2007). A copy is available at: http://www.epa.gov/chp/state-policy/obr_factsheet.html.

ⁱⁱⁱ "PSD and Title V Permitting Guidance For Greenhouse Gases," Office of Air Quality Planning and Standards (November 2010). A copy is available at: <http://www.epa.gov/nsr/ghgdocs/epa-hq-oar-2010-0841-0001.pdf>.

^{iv} "What's Ahead for Power Plants and Industry? Using the Clean Air Act to Reduce Greenhouse Gas Emissions, Building on Existing Regional Programs," The World Resources Institute and the Columbia Law School Center for Climate Change, February 2011. A copy is available at: http://pdf.wri.org/working_papers/whats_ahead_for_power_plants_and_industry.pdf.