

**Business Council for Sustainable Energy Comments in Response
to the Environmental Protection Agency’s Proposed Greenhouse Gas Standards
and Guidelines for Fossil Fuel-Fired Power Plants**

August 8, 2023

The Business Council for Sustainable Energy (BCSE) appreciates the opportunity to provide comments in response to the Environmental Protection Agency’s (EPA)’s Proposed Rulemaking “New Source Performance Standards for Greenhouse Gas Emissions from New, Modified, and Reconstructed Fossil Fuel-Fired Electric Generating Units: Emission Guidelines for Greenhouse Gas Emissions from Existing Fossil Fuel-Fired Electric Generating Units; and Repeal of the Affordable Clean Energy Rule” (EPA-HQ-OAR-2023-0072-0001).

Effective emission reduction is necessary, and is both technologically and economically feasible, given the availability and cost-effectiveness of the broad portfolio of clean energy and energy efficiency technologies. The Council supports the full use of this portfolio within market-based structures.

BCSE is a clean energy trade association spanning a wide spectrum of industry sectors, including energy efficiency, energy storage, natural gas, renewable energy, sustainable transportation, and emerging decarbonization technologies. BCSE also has an independent small- and medium-size businesses initiative under its banner, the Clean Energy Business Network (CEBN). Together, BCSE and CEBN represent the full range of the clean energy economy, from Fortune 100 companies to small businesses working in all 50 states supporting over 3 million U.S. jobs.

The Council has provided comments to EPA on numerous air quality and climate change initiatives since its founding in 1992. With regard to reducing greenhouse gas emissions (GHG), the Council supports market-based, economy-wide approaches that utilize performance-based metrics and that provide flexibility to states and regulated facilities to implement emission reduction limits.

BCSE represents the portfolio of commercially available resources, technologies, and services that are proven to reduce air pollution and GHG emissions in an affordable and reliable manner. Used to their full potential in a regulatory regime, these solutions are key to successful emissions reductions and air quality improvements.

BCSE has long supported a federal, economy-wide approach to reducing GHG emissions. Sharp declines in U.S. power sector emissions over the past decade have demonstrated that there are many cost-effective technologies readily available to reduce emissions. According to the *2023 Sustainable Energy in America Factbook*,¹ power sector emissions are 35 percent below 2005 levels. While the Council urges federal legislative action to ensure durable policy for the long-term, it believes that EPA has an obligation to respond to sound science and court mandates.

¹ See: www.bcse.org/factbook, Released March 3, 2023.

In this submission, BCSE provides perspectives on several aspects related to the proposed emissions guidelines for existing electric generating units (EGUs). In addition, BCSE would like to acknowledge the submissions made by Capital Power, Solar Energy Industries Association and Tenaska, among others. BCSE encourages the thoughtful consideration of the issues and recommendations included in these submissions.

BCSE is a diverse multi-industry coalition. As such, not all members take positions or endorse the recommendations in these comments.

Power Sector Emissions Trends

Clean energy and energy efficiency sectors have proven that they can play a strong role in decarbonizing the economy, while also supporting economic development and creating jobs. The findings of the *2023 Sustainable Energy in America Factbook*² show that total U.S. greenhouse gas emissions are 13.9 percent below 2005 levels, reflecting a 3 percent decline from pre-pandemic levels (2019). Further, U.S. power sector emissions have declined steadily over the past decade, ending 2022 at 35 percent below their 2005 peak. U.S. energy productivity has increased 15.2 percent over the past decade, in larger part due to investments in energy efficiency. Additionally, clean energy supports over 3 million American jobs. These statistics show that clean energy and energy efficiency are playing a meaningful role in emissions reductions and must be allowed to continue to do so.

The Council encourages EPA to recognize and consider recent market trends that include the falling costs and increased deployment of clean energy and energy efficiency technologies. Regulation should provide clear and sustained market signals that spur emissions reductions through investment in the full portfolio of clean energy technologies. U.S. states, cities, businesses and households have been making investment decisions based on these trends and seek durable federal policy to accelerate the clean energy transition.

General Perspectives in Response to the Proposed Emission Guidelines for Existing EGUs

- BCSE supports opportunities to provide flexibility in the carbon pollution standard to allow for cost-effective compliance that maintains affordable and reliable electricity for businesses and households.
 - *BCSE seeks clarification from EPA on how flexibility mechanisms can be utilized under the proposed guidelines.*
- Regulations should be set in a manner that sends strong market signals to decarbonize the power sector, and that allows covered EGUs to decide their own technology pathway.
 - *BCSE members recommend a flexible, and technology inclusive approach and are concerned that the proposed guidance is too narrow and prescriptive.*
- Many states and utilities have already adopted power sector decarbonization goals. Federal regulation should recognize existing policies and not hinder planned projects and investments.

² See: www.bcse.org/factbook, Released March 3, 2023.

- *BCSE members are concerned that the proposed guidance will divert investments and human capital away from existing decarbonization activities and requests clarity from EPA on how this will be avoided.*
- The federal government can assist in addressing some of the challenges mentioned above by enhancing coordination between agencies, including EPA, and by enacting critical federal permitting and siting reforms that will allow critical energy infrastructure to be built.
 - *BCSE requests clarity from EPA on how it can enhance coordination with federal agencies to speed regulatory reviews and permitting and siting processes.*
 - *BCSE requests clarity from EPA on what happens if a EGU attempts to become compliant but cannot due to circumstances outside of their control (e.g., inadequate pipeline permitting/infrastructure for sequestered carbon, which falls outside the scope of the EPA's purview).*

Maximize Compliance Flexibility

BCSE supports regulatory approaches that allow a broad range of technological solutions to be used for compliance purposes. In the final rule, EPA should clarify how regulated units can utilize technologies that are not listed in the proposed best system of emission reduction (BSER) determination to meet compliance obligations. Technology solutions could include energy efficiency, energy storage, digital systems, as well as others. EPA should also clarify that the definition of regulated units refers to turbines, rather than entire power plants. Finally, EPA should clarify how the state planning process can allow for more flexibility in compliance pathways and how market-based mechanisms can be utilized.

Consider the Impact of External Factors in Setting Compliance Timelines

Regulated units seeking to meet compliance obligations may face a range of external factors that may impact their ability to reduce emissions in accordance with the timelines that EPA has proposed. These factors include permitting reviews and supply chain challenges. In the final rule, EPA should clarify how it will address these circumstances should they arise. For example, EPA should allow state plans to provide for a unit owner to make such a demonstration to the state and be eligible for flexibility mechanisms. These mechanisms could include changing the compliance date, allowing for an alternate performance standard not utilizing the suggested BSER technologies to be used for compliance purposes as well as trading and/or averaging with another owned unit, among other potential remedies.

Recognize Early Actors and Investments Made to Decarbonize the Power Sector

The U.S. electricity sector is decarbonizing, with the support of both supply-side and demand-side technologies. Implementation of EPA's proposed guidelines for existing EGUs should not inhibit compliance with local, state and regional policies or divert investment and/or human capital that has been dedicated to meet decarbonization goals.

Establish a Compliance Review Period to Assess Implementation Progress

In the final rule, EPA should establish a review process to assess implementation progress when state plans are approved, but no later than two years prior to the start of the first compliance period. This would allow regulated EGUs to report to EPA on progress towards achieving the emission limit and request compliance flexibility, if needed.

Thank you for the opportunity to share BCSE's views on the proposed Greenhouse Gas Standards and Guidelines for Fossil Fuel-Fired Power Plants. Should you wish to discuss these comments further, please contact BCSE President Lisa Jacobson via email at ljacobson@bcse.org.