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FEDERAL ENERGY REGULATORY COMMISSION

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Commissioner Philip D. Moeller

STATEMENT

Statement of Commissioner Philip D. Moeller on EPA's Clean Power Plan

"The Clean Power Plan (CPP) is really about reducing domestic coal consumption, not global warming. As with any rule of this magnitude, it will produce winners and losers among energy producers, energy consumers, and electric generation developers.

"However, the amount of domestic carbon reduction under the CPP will be swamped by increased global carbon emissions that are produced to meet the electricity demand of the unserved citizens of the world. As the International Energy Agency points out, there are over 1.2 billion people on this planet that do not have access to electricity. I'm fairly certain most of them want electricity, and the ensuing benefits it provides such as lighting and refrigeration that many citizens of the world take for granted. If carbon concentration is the problem, it must be addressed by the entire world, as the concentration of carbon—unlike Sulfur Dioxide or Nitrogen Oxides—is the same in Beijing, Bangalore, or Baltimore.

"That's not to say we should stay idle on the issue. We should work extensively with all nations--especially those with unserved consumers--to improve energy efficiency and reduce incentives that promote the overconsumption of energy. And we should do the same thing here in the United States.

"A more effective way to improve domestic emissions is through the promotion of competitive wholesale electricity markets. Competitive wholesale markets have already improved emissions dramatically and everything I've seen indicates that trend will continue if the markets are not fundamentally altered. Yet I am very concerned that the CPP may disrupt this progress by substituting environmental dispatch for economic dispatch.

"The CPP will also result in a major transformation of the regulation of the electricity sector. The most radical change may be that state air regulators and other state officials without a background in the electricity sector are now going to be charged with developing a state compliance plan. This will be a huge challenge for them. My biggest concern is that individual state plans could disrupt existing competitive wholesale markets, causing inefficiencies that would actually increase emissions.

"It's easy to claim that the CPP will provide more benefits than costs 15 years from now. But as my colleague Commissioner Clark points out, there are real costs today. We will be closing coal plants, some of which haven't been fully paid for and still have useful lives. That means that consumers will still be paying for plants that no longer produce electricity at the same time they are paying the costs of replacement plants that comply with the CPP.

"Going forward, this Commission will need to work even closer with state utility regulators and state air regulators to manage the transition in an effort to protect reliability of the grid and to minimize rate increases. I've asked EPA to take a leadership role in working with other federal agencies to ensure that the additional gas pipelines and electric transmission wires - which will be absolutely necessary to comply with the CPP - can be evaluated in a more timely manner.

"Despite my grave concerns about the CPP, I appreciate the involvement and outreach of EPA officials to this Commission. Communication with EPA has improved remarkably since we announced our technical conferences on the Draft CPP. I also appreciate that EPA listened to our concerns about the 2020 compliance date and that reliability measures were added to the final version of the CPP."

Document Content(s)

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