

PRESS RELEASE

Coal Plant Closures Trigger Electricity Rate Increases

Power Auction Confirms Price Impacts of New EPA Rules

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WASHINGTON, DC – One of the country's largest regional power grid operators, PJM Interconnection, today announced the results of its annual auction that locks in electricity capacity prices three years in advance. Today's auction established capacity prices for 2015-2016, the first year electric generators will be required to comply with EPA's costly Utility MACT rule. The results of the auction confirmed the predictions of Republican lawmakers who warned that EPA's new power rules would drive up electricity costs for American consumers.

The auction set capacity prices at \$136 per megawatt (MW) across the PJM footprint, which includes the Mid-Atlantic region and parts of the Midwest. This price is 8 times higher than the \$16 per MW price that was set for 2012-2013. Electricity customers in parts of Ohio will be hit the hardest, with the auction setting the price for capacity resources in northern Ohio at \$357 per MW, nearly triple the 2014-2015 price set last year. As explained by PJM, the "auction was impacted by an unprecedented amount of planned generation retirements (more than 14,000 MW) driven largely by environmental regulations, which drove prices higher than last year's auction."

President Obama's EPA has issued and proposed a suite of costly new rules on America's power sector that have already resulted in the premature closure of power plants across the country. Today's auction shows how these plant closures will affect how much American families and businesses pay for electricity.

"The PJM auction forecasts a dim future where Americans will be paying more to keep the lights on. We are seeing more and more coal plants fall victim to EPA's destructive regulatory agenda, and as a result, we are seeing more job losses and higher electricity prices," said Energy and Power Subcommittee Chairman Ed Whitfield (R-KY). "The Obama administration continues to wage a war on affordable energy, and it is the American people who will suffer the consequences."