



TEXAS PUBLIC POLICY FOUNDATION

KeyPoints

January 2016

Armstrong Center for
Energy and the Environment

The Facts About the Clean Power Plan

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- 1) The EPA's Clean Power Plan (CPP) is a sweeping assertion of federal power over states to radically overhaul the nation's entire system of electric power. The EPA's rule would force the state of Texas to change current law in order to comply with a federal regulation that violates federal law as well as the U.S. and Texas constitutions.
- 2) The federal government has nationalized the health care system through Obama Care and nationalized banks through Dodd Frank. Now, the EPA would nationalize each state's electric power sector.
- 3) But there is a huge distinction between these laws and the final EPA rule. Congress enacted new law in Obama Care and Dodd Frank. Here, with no new law, EPA has acted in spite of Congress's continual refusal to regulate CO₂.
- 4) The rule's purpose is to reduce carbon dioxide from the electric power sector by 32 percent. When you do the climate arithmetic, this rule would reduce supposed global warming by 0.018° Celsius. This is a meaningless change.
- 5) The total amount of CO₂ emissions that the EPA hopes to gain across the country by 2030 would be emitted by China in less than two weeks.
- 6) Texas generates 11 percent of the country's electricity: more than any other state. Because Texas has the largest industrial sector, producing gasoline and thousands of products used across the country and the world. However, under the CPP Texas is tasked with 11 percent of the nationwide CO₂ reduction—a burden far heavier than any other state.
- 7) Over half of Texas' coal-fired plants will be forced to close under the CPP. That is anywhere from 19-25 plants.
- 8) The EPA's Clean Power Plan rule would destroy the Texas competitive electricity market and make carbon content—not price, reliability, or safety—the first priority for dispatch of electric power to the grid.
- 9) The EPA's rule envisions that Texas could increase renewable capacity by approximately 200 percent by 2030. Currently Texas has 14,000 MW of installed capacity, making Texas the largest renewable energy generator in the nation. At a 200 percent increase, Texas would be adding more wind and solar generation than any other nation has at the present.
- 10) The EPA's Clean Power Plan poses grave questions for state governments. Compliance with the EPA's requirements would cede to the federal government longstanding and fundamental state authority over electric utilities. Commissioner Tony Clark of FERC testified to Congress that the EPA's rule fundamentally re-orders the longstanding relation between the feds and states to create a "mother-may-I" relationship that has never before existed." Do we want the state government of Texas to operate as a field office of the EPA?
- 11) Texas has joined 26 other states in a suit challenging the constitutionality of the Clean Power Plan.
- 12) One of the nation's preeminent Constitutional scholars, Laurence Tribe at Harvard Law School, denounced this rule. His WSJ editorial recently stated, "Frustration with congressional inaction cannot justify throwing the Constitution overboard to rescue this lawless EPA proposal." (<http://on.wsj.com/1AZRa5S>)
- 13) Forced fuel switching to natural gas and renewable energy sources like wind and solar have significant national security implications. Unlike EPA's favored generators, coal plants are able to store 30, 60, or 90-day stores of coal on premises. For gas, wind, and solar, there is no back-up energy reserve if a natural disaster occurs that knocks down turbines, destroys solar panels, or severs natural gas lines to the plant.
- 14) ERCOT's recent study showed that energy prices would increase by 16 percent as a result of the CPP. That increase does not contemplate the costs of stranded assets or the costs to build additional infrastructure and transmission lines. When those costs are considered, Texas taxpayers will end up footing the bill for another \$31 billion. (http://www.ercot.com/content/news/presentations/2015/ERCOT_Analysis_of_the_Impacts_of_the_Clean_Power_Plan-Final.pdf) ★