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EPA Left Significant Carbon Reductions on the Table, New In-depth Analysis of Clean Power Plan Concludes

A new analysis of the Obama administration's Clean Power Plan (CPP) identifies a large gap between the carbon emission reductions the Environmental Protection Agency (EPA) requires and the achievable reduction opportunities the agency identified.

Digging into the details and supporting data behind EPA's CPP targets, CPR Member Scholars Alice Kaswan (University of San Francisco School of Law) and Kirsten Engel (James E. Rogers College of Law, University of Arizona) find that EPA made critical methodological choices that reduced the rule's stringency. Because EPA's data reveal that greater reductions from the power sector are available, the authors argue that continued initiatives will be necessary to take advantage of the opportunities EPA did not incorporate into the final rule's requirements.

"The Clean Power Plan is an important achievement, and EPA deserves great credit for using existing authority under the Clean Air Act to attack greenhouse gas emissions," said Kaswan. "But it's a first step, not a final step. Whether it's by legislation, interstate compacts, or regulation, there's a lot more work to be done. But the good news is that EPA's data reveal that significant reductions beyond those contemplated by the Clean Power Plan are readily achievable."

In [*Untapped Potential: The Carbon Reductions Left Out of EPA's Clean Power Plan*](#), Kaswan and Engel explore the implications of EPA's decision to establish nationwide performance rates for coal and natural gas plants, rather than using more stringent regionally tailored rates. In the CPP's development stage, EPA assessed achievable reductions by region, consistent with the Western, Eastern, and Texas interconnections that comprise the nation's power grid. But by subsequently settling for the least stringent eastern regional rates as the nationwide performance rates instead of regional rates, the agency ignored the greater reduction opportunities it had identified in the western states and Texas.

While EPA calculated that coal-fired power plants in the western states could have achieved an effective emissions performance rate as low as 360 pounds of carbon dioxide per megawatt hour (lbs/MWh) of electricity produced, EPA's application of the low-stringency eastern rates meant that the CPP applies a far less stringent requirement of 1,305 lbs/MWh. Because of this, coal-dependent western states will be permitted to emit as much as three-and-a-half times as much carbon dioxide as would have been allowed had EPA applied the more stringent western region rate.

The authors are upfront that, given the unequal geographic distribution of inexpensive carbon reduction opportunities, the agency's use of regional rates would have posed some tough legal and political questions.

"We do not take a position on whether EPA should have used the regional rates," said Kaswan. "Instead, we seek to show that, because of EPA's use of the less-stringent nationwide approach, the CPP left out significant carbon reductions. That information provides perspective on current claims about the achievability of the CPP and can help shape future discussions over carbon reduction initiatives."

"The truth is that the western states and Texas got a good deal under the Clean Power Plan," said Engel. "EPA determined that the western grid offered extensive opportunities to shift to natural gas and develop cost-effective renewables, but the agency did not incorporate these opportunities into its requirements for the western states."

Among the authors' specific findings:

- **Under the Clean Power Plan, the nation's power plants will pump almost 400 million tons of carbon into the atmosphere per year beyond the levels EPA concluded were achievable based upon analyses of regional reduction opportunities.** Relying upon EPA's data and formulas, the analysis reveals that, had EPA applied the more stringent region-specific performance rates, the CPP would have achieved carbon reductions from existing sources of 52 percent below 2005 levels by 2030, rather than the 38-percent reduction anticipated from the final Plan.
- **The Clean Power Plan's weak requirements mean that it makes significantly less headway in incentivizing a transition to cleaner energy than the agency's own analysis claims is possible.** Because many reduction opportunities, including shifts to natural gas and renewables, were not incorporated into the requirements, the Plan's targets will not prompt investments in available opportunities to shift to clean energy.
- **Claims by states and utilities that the CPP imposes onerous requirements are likely overblown.** Although the CPP does expect reductions from western states, the western state targets are much less stringent, and hence more easily achievable, than many states claim.

The full text of the paper is available online at http://www.progressivereform.org/CPP_Savings_Untapped.cfm.

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