

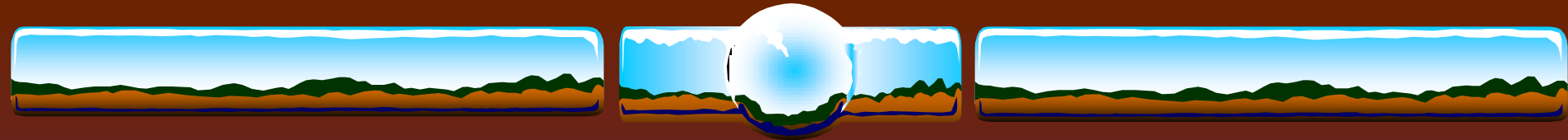
# EPA's Proposed Carbon “Pollution” Standard for New Power Plants

Presented at the 7<sup>th</sup> International Conference on  
Climate Change: Real Science, Real Choices

Chicago, IL

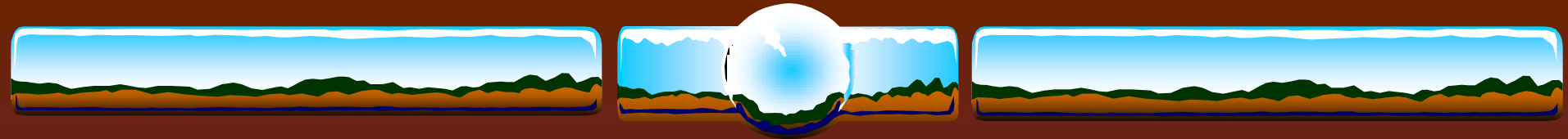
May 23, 2012

Alan Carlin



# Extreme Environmentalism Is The Administration's Game

- ❖ If Congress will not give them authority for cap and trade, they will try to reduce CO<sub>2</sub> emissions through regulations with little regard for science, economics, national welfare, or the law
- ❖ Result is politicization of still another part of Government by President who was going to bring the parties together
- ❖ Administration knows the “right” answer and only the political necessity of getting reelected is holding them back from their mission--“saving” the world



# EPA's Multi-pronged Attack on CO<sub>2</sub> Includes:

- ❖ Carbon Pollution Standard for New Power Plants
- ❖ Cross-state Air Pollution Rule
- ❖ Mercury and Air Toxics Standard



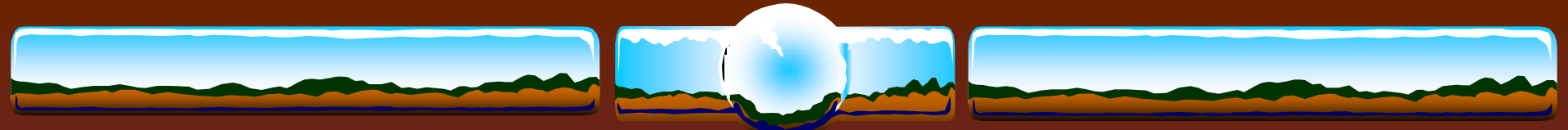
# CO<sub>2</sub> Power Plant Regulation Particularly Unusual

- ❖ No economic benefits
- ❖ Pretends different fuel source is “control option”
- ❖ Portrays coal boilers and natural gas turbines as new category but ONLY for CO<sub>2</sub> emissions—not conventional air pollutants
- ❖ Exempts modified coal-fired plants from regulation as new sources



# CO<sub>2</sub> a Particularly Unusual Proposed Regulation—No Benefits

- ❖ So why bother?
  - ❖ Must be a reason....
- ❖ My view: EPA wants to create a framework for future regulation without getting anyone too upset before the election. But wants a platform ready to go afterwards
- ❖ Future options may include regulating:
  - ❖ Changes to existing coal plants
  - ❖ Existing coal plants not requesting changes
  - ❖ Gas-fired plants



# Another Odd Fact: The Draft Regulation Included Existing Coal Power Plants

- ❖ Sent to OMB by EPA on Nov. 7, 2011
- ❖ But existing plants disappeared after review by OMB
- ❖ EPA now insists they have no such plans
  - ❖ *Politico*, April 16, 2012
- ❖ Wonder why? What gives?



“This is my last election. After my election I have more flexibility,” Obama added



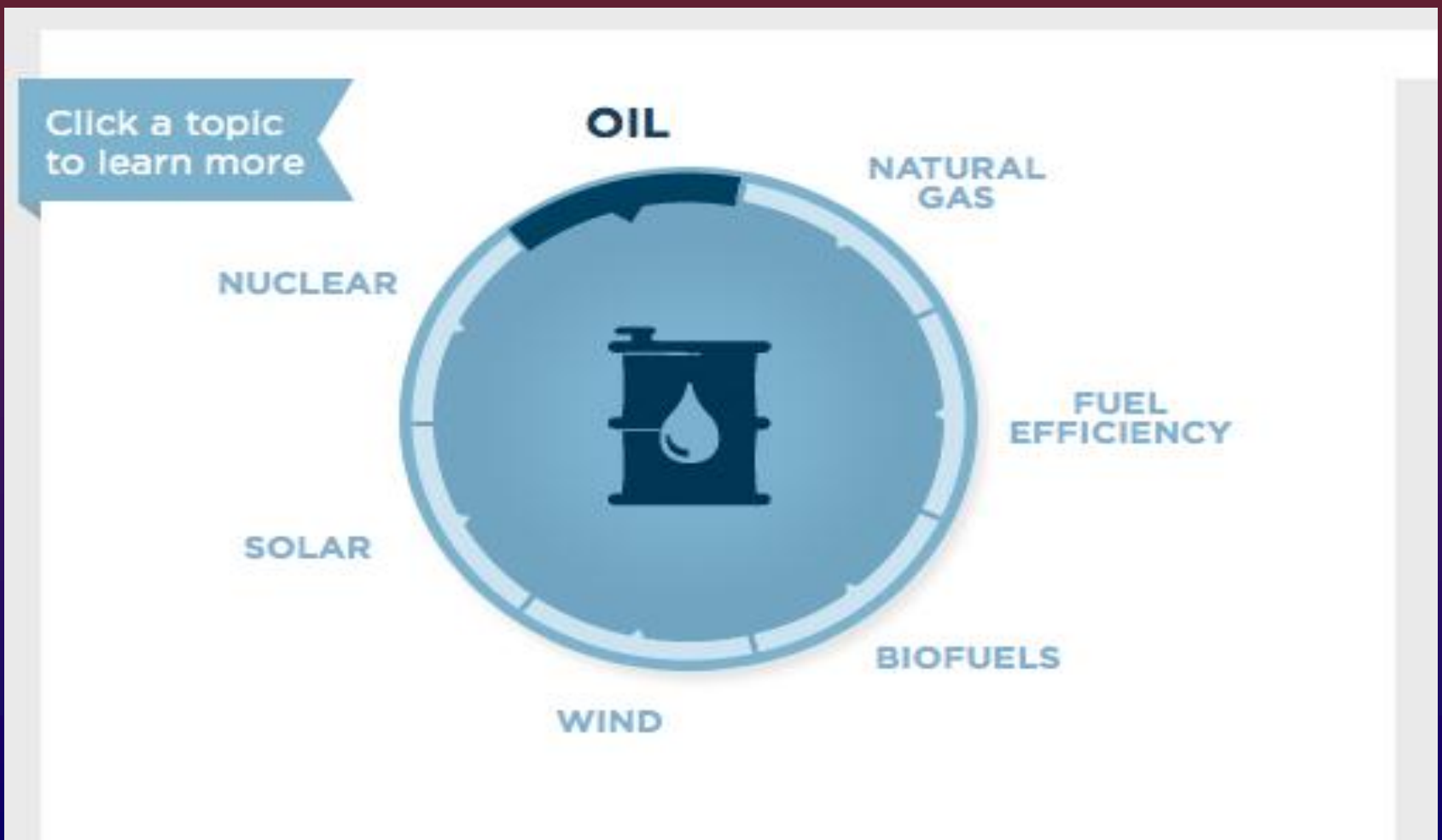
# Seems to Be Part of a Pattern

- ❖ A number of the more controversial new EPA regulations are obviously being held back.
- ❖ Possibly Obama does not want the green-takeover of EPA to become an election issue?
- ❖ But it is clear what a second term would bring!
- ❖ Partial implementation may even be attempted after the November election if he should lose





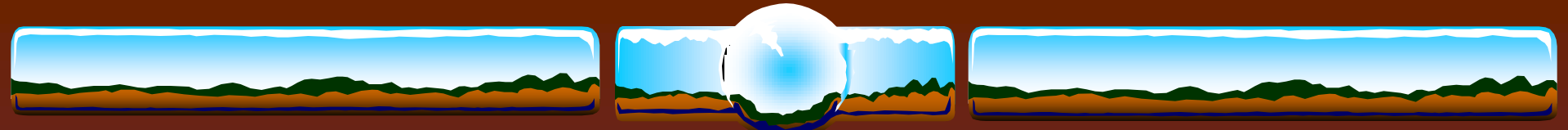
# Obama's Not So "All-of-the-Above" Energy Strategy Website





# Obama's Stated Priorities for a 2<sup>nd</sup> Term Include:

- ❖ Remaking the nation's energy policy so it addresses “the long-term challenges....of energy independence and climate change” [March 30, 2012]
  - ❖ According to Ezra Klein, *Wash Post*, May 4
- ❖ How could he be more clear?
- ❖ Perhaps this needs to be more widely known?
- ❖ Maybe the press should widely report it?



# But Doing Away with Coal Plants May Not Save the World after All

- ❖ It might reduce CO<sub>2</sub> emissions very slightly depending on what takes their place
- ❖ But I am prepared to argue that from *both* environmental and economic viewpoints we need more, not less CO<sub>2</sub> emissions!
- ❖ But I will postpone that discussion for another time



# Overview

- ❖ Stage 1 (2009): Pass cap and tax bill; build back-up Endangerment Finding
- ❖ Stage 2 (2010-12): With cap and tax dead, build regulatory version of AGW controls but hold off on politically very damaging regulations
- ❖ Stage 3 (November 2012 on): Implement full AGW regulatory regime, win or lose in Nov.
- ❖ Point: Period of maximum danger starts in Nov.



# For More Details and New Developments

- ❖ Carlin Economics and Science website at <http://www.carlineconomics.com>
- ❖ Published article on application of scientific method to AGW hypothesis: <http://www.mdpi.com/1660-4601/8/4/985/pdf>