



Major EPA Regulatory Initiatives And Other Factors Affecting Electric Generation In the U.S.

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Clean Air Act Regulatory Initiatives Targeting Electric Generating Units

- **Cross State Air Pollution Rule**
 - SO₂ and NO_x Emissions in 27 States
 - Implementation starting 2012 (stayed)
- **Mercury and Air Toxics Standards**
 - Hazardous air pollutants from oil and coal-fired electric generating units
 - Implementation beginning in 2015 (3 + 1 + ?)
- **One-hour SO₂ NAAQS and NO₂ NAAQS**
 - Designations of attainment/nonattainment in 2012
 - Attainment demonstrations required in 2017

Major Regulatory Initiatives, cont'd.

- **Regional Haze**
 - BART determinations and reasonable progress requirements
 - Variable schedules from 2013 - 2020
- **New Source Performance Standards for Greenhouse Gases for new sources**
 - Proposal due any day
 - NSPS applicable upon proposal of standard
- **Section 111(d) NSPS for Existing Sources**
 - Delayed

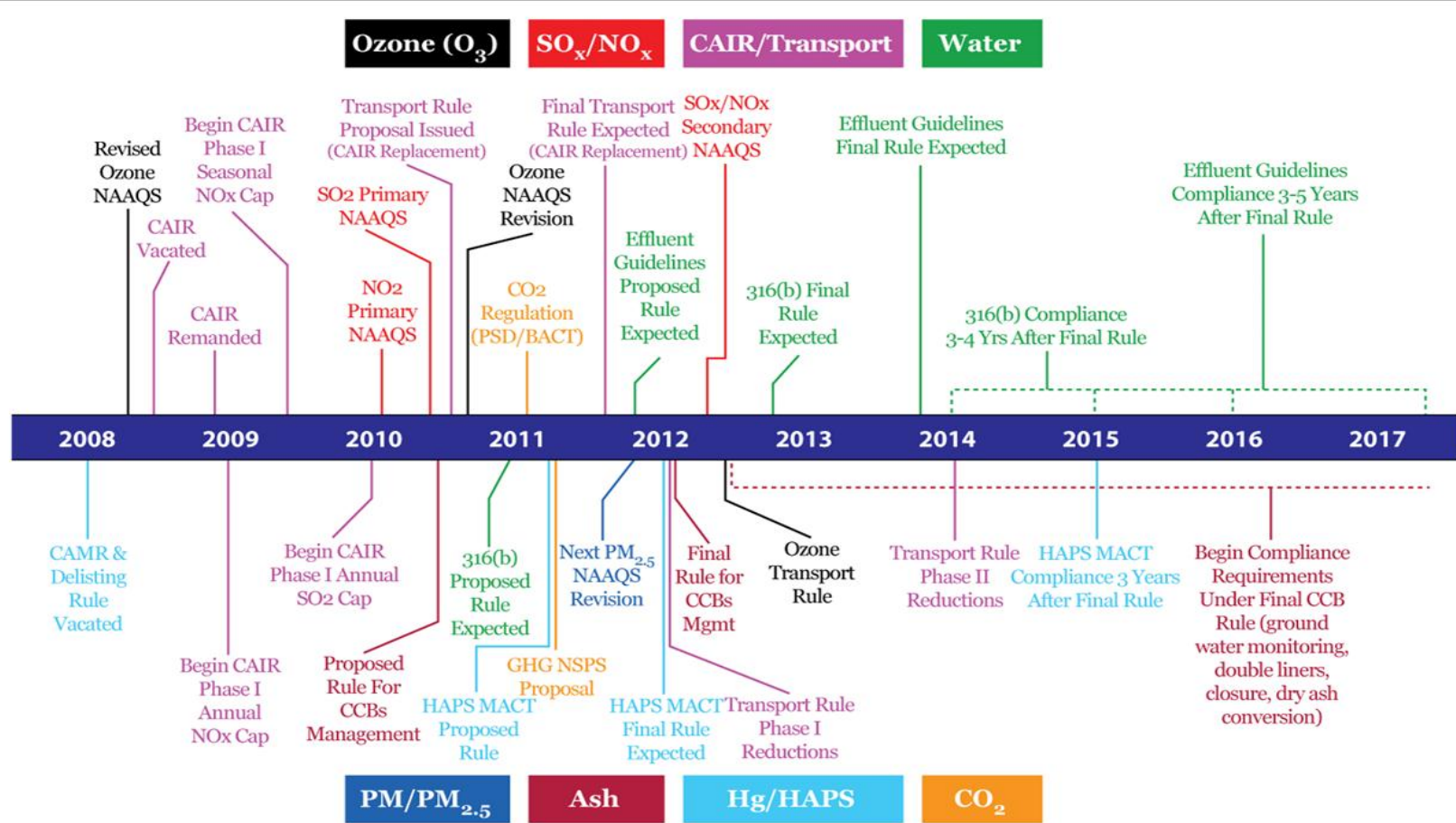
Other Environmental Programs Affecting EGUs

- **New Source Review**
 - Enforcement actions limiting scope of maintenance and upgrade projects at older units
 - Impact on efficiency improvement projects
- **Section 316(b) of Clean Water Act**
 - BAT to require potentially wide-spread installation of cooling towers
 - Implementation from 2014 forward
- **Coal Ash Regulation**
 - New requirements for coal combustion by-products

Non-environmental Factors Of Importance

- **Renewable Portfolio Standards**
 - Approximately 28 states have imposed RPS of between 8 and 30 percent
 - Energy efficiency incentives
- **Moore's Law for Photovoltaics?**
 - Declining costs, improving efficiencies making distributed solar electricity competitive in many areas
- **\$2 Natural Gas**
 - Hydrofracturing ("Fracking") and related recovery innovations changing long-term view for gas supply

The EGU "Train Wreck"



Sources: Edison Electric Institute 2010; Wegman, EPA 2003