Opening Statement of Janet McCabe
Acting Assistant Administrator
Office of Air and Radiation
U.S. Environmental Protection Agency

Hearing on the Science of Capture and Storage: Understanding EPA's Carbon Rules

Subcommittee on Energy and Subcommittee on Environment
Committee on Science, Space, and Technology
U.S. House of Representatives
March 12, 2014

Chairmen Schweikert and Lummis, Ranking Members Bonamici and Swalwell, members of the Committee: Thank you for the opportunity to testify today.

Climate change is one of the greatest challenges of our time. Our changing climate already threatens human health and welfare and economic well-being, through the increased intensity and frequency of severe heat waves, a rise in sea level affecting our coastal businesses and communities, and a combination of rising temperatures and changing precipitation that leads to increased droughts and wildfires. If left unchecked, continued emissions of greenhouse gases and the resulting, measurable increase of their concentration in the atmosphere will have devastating impacts on the United States and the planet. Reducing carbon that is being emitted into the atmosphere is

critically important to the protection of Americans' health and the environment upon which our economy depends.

Last June, President Obama issued a national Climate Action Plan, which directs the EPA and other federal agencies to take steps to mitigate the current and future damage caused by greenhouse gas emissions and to prepare for the climate changes that have already been set in motion. A key element of the plan is addressing carbon pollution from new and existing power plants in the United States. Our changing climate is also a global challenge, and the President's Plan recognizes that the United States must couple action at home with leadership abroad.

Cutting Carbon Pollution

Today you have asked me to focus on the critical role EPA plays in implementing one of the central activities in the Climate Action Plan: cutting carbon pollution from new power plants.

Power plants are the single largest source of carbon pollution in the United States, accounting for roughly one-third of all domestic greenhouse gas emissions. In March of 2012, the EPA first proposed carbon pollution standards for future power plants. After receiving over 2.5 million comments, we determined to issue a new proposed rule based on this input and on updated information.

In September of 2013, the EPA announced its new proposal. The proposed standards would set the first uniform national standards for carbon pollution from future power plants. They will not apply to existing power plants. The proposal would set separate national limits for new natural gas-fired turbines and new coal-fired units. New large natural gas-fired turbines would need to emit less than 1,000 pounds of CO2 per megawatt-hour, while new small natural gas-fired turbines would need to emit less than 1,100 pounds of CO2 per megawatt-hour. New coal-fired units would need to emit less than 1,100 pounds of CO2 per megawatt-hour. Operators of these units could choose to have additional flexibility by averaging their emissions over multiple years to meet a somewhat tighter limit.

These standards, which are proposed under Section 111 of the Clean Air Act, are based on an evaluation of the technology that is available to limit carbon pollution emissions at new power plants. EPA proposed these standards by following a well-established process to determine the "best system of emission reduction … adequately demonstrated" to limit pollution, or BSER.

In the proposal, the EPA determined that the best system of emission reduction for new coal units is a new efficient unit implementing partial carbon capture and storage (CCS). The EPA based this determination on a review of (1) existing projects that implement

CCS; (2) existing projects that implement various components of CCS; (3) planned CCS projects; and (4) scientific and engineering studies of CCS. The determination relies on a wide range of data, information, and experience.

These proposed standards reflect the demonstrated performance of efficient, lower carbon technologies that are currently being used today. They set the stage for continued public and private investment in technologies like efficient natural gas and carbon capture and storage. The proposal was published in the Federal Register on January 8, and the formal public comment period is now open. We recently extended the comment period, to May 9, to ensure we get as much public input as practicable. We look forward to robust engagement on the proposal and will carefully consider the comments we receive as a final rule is developed. We continue to review information as it becomes available as well, working with the Department of Energy and other agencies with expertise in these issues. We know there is great interest in our proposal, and great interest in our review of CCS. These opportunities for discussion and making sure EPA has the best information available are what the notice and comment process is all about.

As noted, the proposed rule would apply only to future power plants. For existing plants, we are engaged in extensive and vigorous

outreach to a broad group of stakeholders, including states, who can inform the development of proposed guidelines. EPA expects to issue these proposed guidelines by June of this year. These guidelines will provide guidance to States, which will have the primary role in developing and implementing plans to address carbon pollution from the existing plants in their states. We recognize that existing power plants require a distinct approach, and this framework will allow us to capitalize on state leadership and innovation while also accounting for regional diversity and providing flexibility.

Conclusion

Responding to climate change is an urgent public health, safety, national security, economic, and environmental imperative that presents great challenges and great opportunities. As the President and Administrator McCarthy have stated, both the economy and the environment must provide for current and future generations. We can and we must embrace cutting carbon pollution as a spark for business innovation, job creation, clean energy, and broad economic growth. The continued global leadership of the United States and the success of the Clean Air Act over the past 40 years make it clear that public health protection and economic growth go hand in hand.

Thank you again for the opportunity to testify. I look forward to answering your questions.