

The Honorable Michael S. Regan, Administrator U.S. Environmental Protection Agency 1200 Pennsylvania Avenue, NW Washington, DC 20004

August 1, 2023

Docket ID No. EPA-HQ-OAR-2023-0072

Dear Administrator Regan,

I write to you on behalf of the U.S. Climate Alliance (Alliance), a bipartisan coalition of 25 governors committed to climate action that together represent approximately 60 percent of the U.S. economy and 55 percent of the U.S. population. We are encouraged by the U.S. Environmental Protection Agency's (EPA) recent proposal under section 111 of the Clean Air Act to curb greenhouse gas (GHG) emissions from new and existing fossil-fuel electricity generation, and we recommend the agency move rapidly to finalize regulations establishing a stringent federal floor and improve health outcomes for all Americans.

Accelerating policies to reduce GHG pollution and promote clean energy deployment is critical to achieving our climate goals and ensuring a clean, affordable, and reliable electricity grid. Decarbonization of other sectors of the economy — including transportation, buildings, and industry — is also heavily dependent on emissions reductions in the electricity sector. Our members are committed to doing their part at the state and territorial level. Across the Alliance, states and territories are working to reduce our collective net GHG emissions at least 50-52 percent by 2030 and collectively achieve overall net-zero GHG emissions as soon as practicable, and no later than 2050. To date, 14 members have adopted economy-wide net-zero emissions policies, 21 have enacted renewable and clean energy standards, and 18 have established 100 percent clean electricity targets. Together, Alliance members are generating more electricity from zero-carbon sources than the rest of the country, while achieving lower levels of harmful air pollution and collectively employing more clean energy workers.

Our states and territories will continue to lead, but we know that swift, strong, and sustained federal action is necessary to speed the nation's transition to a net-zero future.¹ We appreciate the Biden administration's ongoing regulatory efforts to cut health-harming pollution from the electricity sector, including by leveraging improved and cost-effective mitigation technologies. The Alliance is also grateful for the historic investments flowing into our communities for clean electricity generation and advanced technologies under the Inflation Reduction Act, the Infrastructure Investment and Jobs Act, and the CHIPS and Science Act, which will further reduce these costs and help us rapidly reduce emissions. However, there is more to be done to slash carbon pollution from power plants and protect communities across the country.

With this proposal, we are pleased to see EPA taking action to fulfill its obligation under the Clean Air Act to regulate carbon dioxide (CO2) as a pollutant that endangers public health and welfare. Replacing the Affordable Clean Energy Rule with regulations that are reflective of, and responsive to, the level of harm caused by carbon pollution is a critical first step. By raising standards for new and modified combustion turbines and fuel-fired steam-generating units, EPA can ensure a stringent federal floor for the build-out of future generators. At the same time, the proposal would fill a regulatory gap and address emissions from the legacy fleet by establishing standards for existing steam-generating units. Together, these standards would prevent 1,300 premature deaths in 2030 alone and reduce more than 600 million metric tons of CO2 through

¹U.S. Climate Alliance, Federal Action Recommendations, <u>https://usclimatealliance.org/letter/federal-action-letter-feb-2023/</u>.

2042.² The proposed rules would also establish emission guidelines for certain large existing combustion turbines, reducing hundreds of additional million metric tons of CO2. In total, these regulations represent a significant contribution toward our collective efforts to tackle the climate crisis, confront harmful pollution, and deliver cleaner electricity for all Americans.

The Alliance appreciates the inclusion of several key priorities outlined in our response to EPA's *Reducing Climate Pollution from New Gas-Fired Turbines* draft whitepaper last year, including flexible compliance pathways that allow for alignment with existing, enforceable state-level decarbonization policies.³ Enabling compliance strategies to be developed around unit utilization and planned retirement dates will provide important flexibility to state regulators. We also support the alignment of implementation timelines across EPA's suite of federal rules, given the broad number of regulations impacting electric generators, and we welcome the rules' requirements for meaningful engagement with communities and stakeholders in the development of state implementation plans. Finally, we continue to encourage EPA to support implementation strategies that prioritize co-benefits under these rules, particularly for overburdened and underserved communities.

As the agency moves to finalize these rules and take other steps to curb pollution from electricity generation, it is clear that addressing emissions from existing gas-fired generators must continue to be an area of focus. Gas-fired generation has increased more than 180 percent from 2000 to 2021,⁴ and gas-fired generating capacity is forecasted to continue increasing another 20 to 87 percent through 2050.⁵ While the proposed rule for existing gas-fired combustion turbines is estimated to reduce up to 407 million metric tons of CO2 through 2042 from existing gas-fired combustion turbines,⁶ this represents only a fraction of the existing gas-fired units and fleet-wide emissions. Additional action will be needed to address this growing source of emissions.

Our nation needs ambitious and holistic approaches to confronting carbon emissions in the electricity sector. EPA's proposal is an essential part of a comprehensive suite of federal and state actions that, together, can align our electricity generation with the U.S. Nationally Determined Contribution, protect customers from volatile prices and future stranded assets, safeguard public health, grow the clean energy workforce, and strengthen protections for communities. With a rapidly warming planet and worsening impacts from climate change, it is clear there is no time to waste. We stand ready to work with the agency to finalize these rules as quickly as possible and solidify progress toward cleaner electricity for all.

Thank you again for the opportunity to comment and for the Administration's ongoing partnership with states to tackle the climate crisis.

Sincerely,

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Casey Katims Executive Director U.S. Climate Alliance

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<sup>4</sup> U.S. Environmental Protection Agency, Power Sector Trends Technical Support Document,
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https://www.epa.gov/system/files/documents/2023-05/Power%20Sector%20Trends%20TSD.pdf.
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² U.S. Environmental Protection Agency, *Regulatory Impact Analysis*, <u>https://www.epa.gov/system/files/documents/2023-05/utilities_ria_proposal_2023-05.pdf</u>.

³ U.S. Climate Alliance, Letter to EPA on Reducing Climate Pollution from New Gas-Fired Turbines, <u>https://usclimatealliance.org/letter/epa-gas-fired-turbines-letter-jun-2022/</u>.

⁵ U.S. Energy Information Administration, Annual Energy Outlook 2023, <u>https://www.eia.gov/outlooks/aeo/narrative/</u>.

⁶ U.S. Environmental Protection Agency, Fact Sheet: Greenhouse Gas Standards and Guidelines for Fossil Fuel-Fired Power Plants, <u>https://www.epa.gov/system/files/documents/2023-05/FS-OVERVIEW-GHG-for%20Power%20Plants%20FINAL%20CLEAN.pdf.</u>