California Energy Commission
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EPA Clean Power Plan

California Energy Commission
IEPR Lead Commissioner Workshop
University of California Los Angeles
August 20, 2014

California Environmental Protection Agency
Air Resources Board

The President's Climate Action Plan

- Climate Action Plan announced June 2013
- Blueprint to Slow Climate Change
- Focuses on CO_2 and Short Lived Climate Pollutants

View of Earth from the International Space Station

Photo Courtesy of NASA

Climate Action Plan
Energy

Accelerate renewable energy permitting on public lands

Upgrade and modernize the grid to facilitate clean energy and improve reliability

Promulgate rules to address new and existing power plants

New Power Plants – 111(b)

EPA released proposed rule for new electric generating units (EGUs) in September 2013

Applies to units built/operated after January 8, 2014

CO_2 limits based solely on fuel type and size

For natural gas-fired units:

- 1,000 lbs CO_2/MW-hr for EGUs > 850 MMBtu/hr
- 1,100 lbs CO_2/MW-hr for EGUs <= 850 MMBtu/hr
- EGU with <33% capacity factor is exempt

New Power Plants – 111(b)

California's comments:

- EGUs are increasingly being used to integrate variable renewable resources
- Set appropriate standards that reflect how the EGU is being used

Existing Power Plants – 111(d)

June 2, 2014 - EPA released proposed rule for existing EGUs

- Expected to reduce CO2 emissions 30% from 2005 levels by 2030
- Limits carbon intensity of a state's electrical grid as a whole
- Credit given for demand-side energy efficiency programs and renewable energy programs

111(d) Building Blocks

Four building blocks to set emissions target:

- Make existing coal-fired EGUs more efficient
- Use lower-emitting EGUs more
- Use more zero and low-emitting power sources
- Increase demand-side energy efficiency 1.5% annually

States have flexibility to comply using any combination of measures

Proposed 111(d) Target

EPA proposed California's emission baseline is

698 lb CO_2/MW-hr in 2012

California's proposed target is:

- **537 lb CO_2/MW-hr by 2030**

Preliminary analyses suggest that California will meet the targets through existing programs

Schedule

EPA must finalize 111(b) rules prior to or concurrently with finalizing 111(d) rule – anticipated in June 2015

States must submit compliance plans by June 2016

States are allowed until June 2018 for multi-state plans

California has opportunity to collaborate with Washington and Oregon, as well as other western states

Next Steps

Joint state agency workshop scheduled September 9, 2014 to solicit input from California stakeholders on proposed EPA rules

Continue to evaluate EPA's proposal and prepare joint state agency comments – comments due October 16, 2014

Continue to communicate with other states to evaluate opportunities for regional collaborations