

# Electricity Security and Affordability Act

## BACKGROUND

On January 8, 2014, the EPA announced greenhouse gas (GHG) new source performance standards (NSPS) that would hold new coal-fired power plants to a standard that can only be achieved by the installation and use of carbon capture and sequestration (CCS) technology, which has not yet been successfully proven on a commercial basis. The proposed NSPS rule is proof that the goal of the EPA—and this Administration — is to prohibit the construction of new, efficient, cleaner-burning coal power plants by requiring them to use technology that has not yet been proven on a commercial scale.

The bill also addresses rules for existing power plants, since these regulations will be the next ones EPA will issue and have the potential to be even more damaging to the reliability of our grid and to jobs and our economy.

## ELECTRICITY SECURITY AND AFFORDABILITY ACT

Our proposed legislation strikes a reasonable balance between our environment and our economy. It would ensure that regulatory standards from EPA are based on technology that is proven and commercially available for use by coal-base.

### **New Plants:**

- o Any New Source Performance Standard (NSPS) regulation must be separated into fuel source, coal or natural gas.
- o Any standard set by EPA must have been achieved for at least one consecutive 12-month period by at least 6 U.S. electricity generating units (EGUs) on a full commercial basis.
- o For coal, a separate subcategory for lignite must be established.
- o Any subcategory standard for lignite set by EPA must have been achieved for a continuous 12-month period by at least 3 U.S. EGUs on a full commercial basis.
- o Results from demonstration projects cannot be used to set any standard.

### **Existing Plants:**

- o Any EPA proposed rule for existing plants will not take effect until Congress passes legislation setting the effective date for the rule.
- o EPA must report to Congress the text of the rule; the economic impacts of the rule (including potential effects on economic growth, competitiveness and jobs, and the electricity rate payer); the amount of GHG emissions that will be reduced by the rule compared to overall global GHG emissions.

## PROTECTING COAL POWER PLANTS IS IN AMERICA'S BEST INTEREST

Coal is produced in 25 states and approximately 240 million Americans depend on coal for electricity. Coal is also responsible for more than 760,000 U.S. jobs. According to the U.S. Bureau of Economic Analysis, in 2010, U.S. coal mining was responsible for 211,410 direct jobs and more than 554,940 indirect jobs.

Moreover, the lack of competition in the energy sector will not only adversely impact the marketplace, but electricity prices will increase, and so will the chances of major electrical grid failures, since our grid runs best with diversified fuel sources.