

Clean Power Plan Myths Vs. Facts

CLAIM “The Clean Power Plan demonstrates U.S. leadership that will motivate other countries to reduce their greenhouse gas emissions.”

FACTS

- According to the IPCC, greenhouse gas emissions are projected to increase 13% by 2025 and 17% by 2030, assuming that countries keep the pledges (“individual nationally determined commitments”) they have made leading up to COP-21.
- The emission increases from other countries by 2025 wipe out 30 years’ worth of emission reductions from the Clean Power Plan.

CLAIM “The Clean Power Plan will save consumers \$7 per month by 2030 on their electricity bills.”

FACTS

- EPA projects that consumers will spend an average of \$25.5 billion per year to reduce electricity use because of the Clean Power Plan.
- This means consumers will have spent more than \$200 billion by 2030 in order to save \$7 per month.
- Over the period EPA modeled, consumers are projected to pay a total of more than \$800 billion to reduce electricity use because of the Clean Power Plan.
- NERA also projects large expenditures to reduce electricity use under the Clean Power Plan, with consumers projected to spend nearly \$300 billion over the 12-year period from 2022 to 2033.

CLAIM “The Clean Power Plan will cause only 33,000 MW of coal plant retirements.”

FACTS

- In its analysis of the Clean Power Plan, EPA assumes that one-third of the coal fleet (100,000 MW) will retire by the end of this year. In fact, EPA assumes that 53 coal-fired units – *none* of which have announced retirement -- will retire within the next six weeks.

- This ridiculous EPA assumption makes the real impacts of the Clean Power Plan appear smaller by assuming a large number of coal plants retire before the Clean Power Plan takes effect. In other words, EPA has made it appear there is a smaller coal fleet that will be harmed by the Clean Power Plan.
- However, in the real world, only 50,000 MW will have actually retired by the end of this year. Therefore, EPA has overestimated coal retirements by a factor of two in order to reduce the impacts of the Clean Power Plan on the coal fleet.

CLAIM “The Clean Power Plan will help prevent climate change.”

FACTS

- According to analysis based on EPA modeling, the Clean Power Plan will have virtually no impact on climate change. By the year 2050, it will reduce atmospheric CO₂ concentrations by 0.2%, global average temperatures by 0.006°C, and sea level rise by 0.2 millimeters, the thickness of two sheets of paper or two human hairs.
- These effects are similar to those projected by other analysts, including the Cato Institute and the Texas Commission on Environmental Quality.

CLAIM “The Clean Power Plan is not costly.”

FACTS

- The Clean Power Plan is the most expensive environmental regulation EPA has ever imposed on the power sector. Analysis by NERA Economic Consulting shows that the Clean Power Plan will cost \$29 to \$39 billion per year, vastly exceeding the cost of *all* other Clean Air Act regulations imposed on the power sector through 2010 (\$7 billion), and the cost of MATS (\$10 billion).
- NERA projects that the Clean Power Plan will cause double digit (10% or more) electricity price increases in as many as 41 states, and that as many as 28 states will suffer electricity price increases of more than 20%.
- NERA also projects large expenditures to reduce electricity use under the Clean Power Plan, with consumers projected to spend nearly \$300 billion over the 12-year period from 2022 to 2033.

CLAIM “The benefits of the Clean Power Plan exceed its costs.”

FACTS

- The majority of benefits EPA claims for the Clean Power Plan are based on reducing conventional air pollutants, not climate change impacts.
- EPA does this because the climate change effects are virtually meaningless. For example, the Clean Power Plan will reduce atmospheric CO₂ concentrations by 0.2% in the year 2050.
- EPA assumes that health benefits from reducing conventional air pollutants are occurring in areas that comply with EPA's air quality standards that protect the public from the harm EPA assumes is occurring in areas with clean air.
- EPA assumes that its own health-protecting standards are not really protecting health when the agency estimates benefits from the Clean Power Plan.

CLAIM “The Clean Power Plan is not a cap-and-trade program.”

FACTS

- EPA is attempting to disguise the Clean Power Plan's cap-and-trade program by calling it a “mass based” program.
- The Clean Power Plan assigns each state an emissions cap — which EPA calls a “mass-based goal” — that states must comply with if the state chooses the mass-based option that EPA favors.
- EPA uses the term “mass-based” 502 times in the final Clean Power Plan rule, and uses the word “trading” 513 times.
- EPA is basically saying the Clean Power Plan is a “mass-and-trade” program, which really means a cap-and-trade program.

CLAIM “EPA conducted unprecedented outreach to solicit feedback on the Clean Power Plan.”

FACTS

- Despite requests to visit coal-reliant states, EPA officials have not done so.
- EPA held 11 “listening sessions” prior to publication of the proposed rule. Only one was held in a coal-producing state, Pennsylvania. Several of the others were in states that use little or no coal to produce electricity, such as Massachusetts, New York, California, and Washington State, as well as in Washington, D.C.

- EPA held four public hearings on the proposed Clean Power Plan. Only one was in a coal-reliant state, Pennsylvania.

CLAIM “The Clean Power Plan is legal.”

FACTS

- According to 27 states, the Clean Power Plan is illegal and they have taken EPA to court over it.
- These states represent 62 percent of the nation’s electric generating capacity, which is the target of EPA’s Clean Power Plan.
- Trade associations representing 80 percent of the U.S. economy are also suing EPA over the Clean Power Plan.
- Three labor unions representing nearly 900,000 members are suing EPA.
- Harvard Law Professor Laurence Tribe testified against the proposed Clean Power Plan earlier this year, saying that “EPA is attempting an unconstitutional trifecta: usurping the prerogatives of the States, Congress and the Federal Courts – all at once. Burning the Constitution should not become part of our national energy policy.”