

Opening Statement of Gina McCarthy

Administrator

U.S. Environmental Protection Agency

Hearing on EPA's Proposed Clean Power Plan

**Committee on Environment and Public Works
U.S. Senate**

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Chairman Boxer, Ranking Member Vitter, members of the committee: Thank you for the opportunity to testify today on EPA's recently issued Clean Power Plan proposal.

Climate change is one of the greatest challenges of our time. It already threatens human health and welfare and economic well-being, and if left unchecked, it will have devastating impacts on the United States and the planet.

The science is clear. The risks are clear. And the high costs of climate inaction are clear. We must act. That's why President Obama laid out a Climate Action Plan and why on June 2 I signed the proposed Clean Power Plan—to cut carbon pollution, build a more resilient nation, and lead the world in our global climate fight.

Power plants are the largest source of carbon dioxide emissions in the United States, accounting for roughly one-third of all domestic greenhouse gas emissions. While the United States has limits in place for the level of arsenic, mercury, sulfur dioxide, nitrogen oxides, and particle pollution that power plants can emit, there are currently no national limits on carbon pollution levels.

EPA's proposed Clean Power plan will cut hundreds of millions of tons of carbon pollution and hundreds of thousands of tons of other harmful air pollutants from existing power plants. Together these reductions will provide important health benefits to our most vulnerable citizens, including our children.

The Clean Power Plan is a critical step forward. Our plan is built on advice and information from states, cities, businesses, utilities, and thousands of people about the actions they are already taking to reduce carbon dioxide emissions.

The Plan aims to cut energy waste and leverage cleaner energy sources by doing two things: First, it uses a national framework to set achievable state-specific goals to cut carbon pollution per

megawatt hour of electricity generated. And second, it empowers the states to chart their own, customized path to meet their goals.

We know that coal and natural gas play a significant role in a diverse national energy mix. This Plan does not change that—it builds on action already underway to modernize aging plants, increase efficiency, and lower pollution, and paves a more certain path for conventional fuels in a clean energy economy.

The EPA's stakeholder outreach and public engagement in preparation for this rulemaking was unprecedented. Starting last summer, we held eleven public listening sessions around the country. We participated in hundreds of meetings with a broad range of stakeholders across the country, and talked with every state.

Now, the second phase of our public engagement has begun. We've already had dozens of calls and meetings with states and other stakeholders and the more formal public process – both a public comment period that runs through October 16, 2014, and public hearings next week in Atlanta, Denver, Pittsburgh, and Washington, DC– will provide further opportunity for stakeholders and the general public to provide input. These are not mere words: this is a proposal, and we want and need input from the

public. That is why we have already engaged states, utilities, and other stakeholders to get their feedback.

To craft state goals, we looked at where states are today, and we followed where they're going. Each state is different, so each goal, and each path, can be different. The goals spring from smart and sensible opportunities that states and businesses are taking advantage of right now.

Under the proposal, the states have a flexible compliance path that allows them to design plans sensitive to *their* needs, including considering jobs and communities in a transitioning energy world. It also allows them enough time – fifteen years from when the rule is final until compliance with the final target – to consider and make the right investments, ensure reliability, and avoid “stranded assets.”

Our plan doesn't just give states more options—it gives entrepreneurs and investors more options, too, by unleashing the market forces that drive innovation and investment in cleaner power and low-carbon technologies.

All told, in 2030 when states meet their goals, our proposal will result in about 30 percent less carbon pollution from the power sector across the U.S. when compared with 2005 levels – 730 million metric tons of carbon dioxide out of the air. In addition, we will cut pollution that causes smog and soot by more than 25 percent. The first year that these standards go into effect, we'll avoid up to 100,000 asthma attacks and 2,100 heart attacks—and those numbers go up from there.

In 2030, the Clean Power Plan will deliver climate and health benefits of up to \$90 billion dollars. And for soot and smog reductions alone, that means for every dollar we invest in the plan, families will see \$7 dollars in health benefits. And because energy efficiency is such a smart, cost-effective strategy, we predict that, in 2030, average electricity bills for American families will be 8 percent cheaper.

President Obama's Climate Action Plan provides a roadmap for federal action to meet the pressing challenge of a changing climate – promoting clean energy solutions that capitalize on American innovation and drive economic growth and providing a role for the full range of fuels, including coal and natural gas.

This proposal sets targets and a reasonable schedule that can be achieved by every state, using measures they choose themselves to suit their own needs. The EPA looks forward to discussion of the proposal over the next several months, and I look forward to your questions. Thank you.