Greenhouse Gas Mitigation Strategies
Technology Policy, Regulation, and Economics

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Introduction

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Overview

- Climate change, renewable energy, and greenhouse gas emissions are not new to NARUC.

- Recently moved to front-page energy conversations.

- No single strategy for all States

- Common regulatory principles

- NARUC has contributed to the national dialogue and assists member State Commissions

- Clean Power Plan—NARUC’s role
In 2014, the U.S. generated ~4,093 billion kWh electricity.

Of that, 39% was generated by coal.

Renewable Energy accounted for just 13%

Coal is the prevailing source of power.
Regulatory Perspective

• State regulators understand electricity markets in their jurisdictions
  • They can identify the best opportunities and barriers to Clean Coal deployment

• Must balance benefits such as clean, sustainable energy and affordable rates.

• Regulators look at
  • Cost
  • Reliability
  • Safety
Cost: ROI

- The return on investment matters. Investors need to know that they will receive a reasonable return on the resources that they devote to a clean energy project, including their capital.

- It will not be possible to attract new investment without a tariff regime that offers reliable return over a time period sufficient to cover the investment.
As States adopt more clean energy programs, the existing coal power plants may be retired or retrofitted to meet a variety of standards.

Retrofitting technology can significantly reduce harmful emissions.

But there are costs:
- Capital costs
- Variable operating and maintenance costs
- Fixed operating and maintenance costs
- Fuel costs

A report published by NARUC estimates that annual MATS compliance will cost several billion dollars annually for these retrofits.
Standards

CSAPR
ELGs
MATS
CPP
Cooling-Water-Intake-Structures
GHGs
NSPS
CCRs/Ash
CAIR
NARUC’s Role

- Core mission: Understanding how federal policies affect States and giving members a voice.

- NARUC’s resolutions and official positions recognize issues that will have consequence for each State.

- Federal regulations should reflect and respect each State’s unique challenges.
Committee Work

- Clean Coal and Carbon Management Committee

- Educates NARUC members on the issues surrounding coal usage and new developments for carbon sequestration and storage.

- Sessions at NARUC Winter and Summer meetings have featured presentations highlighting clean coal technologies.
Key 2015 Winter & Summer Sessions

NARUC Summer Committee Meetings
- Improving Plant Efficiency and Emissions through DryFining Technology
- Low-Energy Carbon Capture Using Metal-Organic Frameworks

NARUC Winter Meetings
- EPA’s Proposed Clean Power Plan and Carbon Capture & Storage
- Illinois Basin Decatur Project & ADM Industrial CCS Demonstration
- Opportunities for CCS from the Coal Utilization Research Council (CURC) Perspective
- The next big reliability challenge: EPA revised ozone standard
NARUC Resolutions

- Resolution on Carbon Capture and Enhanced Oil Recovery
- Resolution on Increased Flexibility for the Implementation of EPA Rulemakings
Another avenue to effect policy decisions on clean coal matters.

North Dakota Commissioner P. Kalk testified before the U.S. Senate Energy and Natural Resources Committee Hearing on Energy Infrastructure Legislation in May 2015.
Any GHG regulations for existing EGUs should –

- Allow States to create emission reduction systems that reflect their policies, energy needs, resource mix, & economic conditions
- Avoid requiring GHG reductions that are not feasible
- Provide flexible compliance mechanisms to allow States to achieve most cost-effective GHG reductions
- Recognize each State’s GHG reductions & existing programs
- Respect each State’s jurisdiction over generation planning
Clean Power Plan

- NARUC was at the table throughout the process

- How State policies and will change and short-term consequences on coal plants is not immediately clear

- Regulators will review the plan and continue to work toward solutions for their constituents.