

Resolution Supporting a Reasonable Compliance Timeline and Economy-wide impact study of EPA's Mercury and Air Toxics Rule

WHEREAS, the U.S. Environmental Protection Agency (EPA) has adopted and has proposed a series of regulations establishing stringent new standards applicable to the electric power sector industry;

WHEREAS, individual states, the American Legislative Exchange Council, Regional Transmission Operators and other parties have raised significant concerns on the proposed Cross State Air Pollution and Mercury and Air Toxics regulations such as the negative impact these regulations would have on states' ability to prepare compliance plans, electricity prices, the reliable operation of the electric power grid, the effective elimination of future electric generating plants that use clean coal technologies and on the interests of electricity consumers to maintain affordable, reliable electricity;

WHEREAS, the compliance deadlines set forth in EPA's final Mercury and Air Toxics Standards (MATS) rule are insufficient according to state and industry experience to allow electric utilities time for pre-construction certification, engineering, permitting and other regulatory approvals that require up to three years and additional time to construct the necessary emission control technologies that requires approximately three years for a total of five to six years;

WHEREAS, the MATS rule provides for a three-year compliance period but EPA admits that many sources will need a one-year extension for non-reliability critical units (a four-year compliance schedule) to install controls, construct replacement capacity, or implement transmission reinforcement or other mitigation measures to assure the reliability of the electric grid and EPA has stated that States may authorize an additional one year for compliance through an Administrative Order under Title V permits;

WHEREAS, electricity generators may enter into a Consent Decree on a case by case basis for reliability critical units that require 5 or more years to complete construction and to assure the reliability of the electric grid;

WHEREAS, no state or electricity generators want to base their retrofit plans on uncertain regulatory processes, and there is a need for States and generators to be certain that their actions to comply with MATS will not have power shortage, price spikes, and other negative consequences on jobs, the economy, and consumers;

NOW, THEREFORE, BE IT RESOLVED that ALEC encourages federal legislative actions such as, but not limited to, the resolution to disapprove the MATS introduced by Senator Inhofe under the Congressional Review Act to subject MATS to analysis for its negative impacts on jobs, state economies and their recovery, electricity prices and consumers' ability to afford them, domestic manufacturing, and international competitiveness and the Fair Compliance Act sponsored by Senators Manchin and Coats that would not change MATS' stringency or reduction levels but harmonize MATS compliance deadlines with pre-construction and construction timelines to install emission

reduction technologies, construct replacement capacity, or implement transmission reinforcement or other mitigation measures to assure electricity price increases are reasonable and the reliability of the electric grid is maintained and;

BE IT FURTHER RESOLVED that ALEC simultaneously encourages applicable State agencies to work closely with generation owners, regional transmission operators, federal agencies such as, but not limited to the Department of Energy and the Federal Energy Regulatory Commission, transmission and electric system reliability organizations and the EPA to avoid unreasonable electricity price increases and grid reliability risks from these regulations.

This resolution is approved and copies of it are transmitted to the President, all members of Congress, the Chairman of FERC, Secretary of the U.S. Department of Energy and the Administrator of the US EPA, the leadership of NERC, SPP, ERCOT, PJM, MISO, NGA, and NARUC, and the ALEC staff is directed to advocate for policies that reflect these principles.