EPA releases revamped regulations on emissions from coal power plants and passenger vehicles

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Pursuant to President Donald Trump’s executive order (E.O. 13783) promoting energy independence and economic growth, the Environmental Protection Agency (EPA) proposed a new rule on August 21 to reduce greenhouse gas (GHG) emissions from existing coal-fired electric utility generating units and power plants across the country. The Affordable Clean Energy (ACE) Rule would establish emission guidelines for states to develop plans to address GHG emissions from existing coal-fired power plants, replacing former President Barack Obama’s 2015 Clean Power Plan (CPP) Rule. In early 2016, the Supreme Court halted the implementation of the CPP pending further review, and in late 2017 the EPA proposed to repeal the CPP rule after determining that the rule exceeded the EPA’s authority. In December 2017, the EPA issued an Advance Notice of Proposed Rulemaking to solicit information from the public to replace the rule, receiving over 270,000 public comments during the 60-day comment period.

While the CPP sought to regulate emissions by considering reductions across an entire electric sector that would drive a shift to renewable energy sources, the ACE rule would define the best system of emission reduction at the plant-specific level, prompting coal-fired power plant owners to implement heat rate improvements from a range of options, so called “candidate technologies,” within the fence-lines of their plants. The states will have three years from the date of the final rule to submit a plan that determines what candidate technologies outlined by the EPA will be applied to their power plant sources and what emissions reductions will result. The ACE rule would also exempt power plants that operate one-third of the time or less from implementing heat rate improvements, and would provide more flexibility to the New Source Review (NSR) permitting program that determines if major renovations, such as efficiency projects, would cause a significant net increase to a factory’s emissions.

Along with the ACE rule, the EPA released a 289-page analysis of the rule including effects on the nation’s economy and health, which can be compared to a previous analysis for the CPP. The EPA will accept comments on the proposed Affordable Clean Energy rule through October 30, 2018. A public hearing will also be announced in the Federal Register.

Three days after proposing the ACE rule, the EPA and National Highway Traffic Safety Administration (NHTSA) issued a notice of proposed rulemaking called “Safer Affordable Fuel-Efficient (SAFE) Vehicles Rule for Model Years 2021-2026 Passenger Cars and Light Trucks.” Pursuant to the instructions of former EPA Administrator Scott Pruitt to revise the Obama-era rule, this rule would amend Corporate Average Fuel Economy (CAFE) and tailpipe carbon dioxide emissions standards for passenger cars and light trucks and establish new standards for model years 2021 through 2026. The proposal outlines that the agencies’ preferred rule is to maintain the model year 2020 standards until 2026, but a range of alternatives are presented for public comment. The SAFE rulemaking also proposes to withdraw California’s Clean Air Act preemption waiver, which allows California to impose stricter standards for vehicle emissions of certain pollutants than federal requirements. California’s standards have been adopted by thirteen states plus the District of Columbia, representing 35 percent of the automobile market.

The comment period is open through October 23, 2018, and the agencies will hold joint public hearings on the SAFE Vehicle Rule and its accompanying NHSTA Draft Environmental Impact Statement.

Sources: Energy Innovation; Environmental Protection Agency; Federal Register; Forbs; National Highway Traffic Safety Administration.