

CLIMATE

E.P.A. Announces Repeal of Major Obama- Era Carbon Emissions Rule

By LISA FRIEDMAN and BRAD PLUMER OCT. 9, 2017

WASHINGTON — The Trump administration announced Monday that it would take formal steps to repeal President Barack Obama’s signature policy to curb greenhouse gas emissions from power plants, setting up a bitter fight over the future of America’s efforts to tackle global warming.

At an event in eastern Kentucky, Scott Pruitt, the head of the Environmental Protection Agency, said that his predecessors had departed from regulatory norms in crafting the Clean Power Plan, which was finalized in 2015 and would have

pushed states to move away from coal in favor of sources of electricity that produce fewer carbon emissions.

“The war on coal is over,” Mr. Pruitt said. “Tomorrow in Washington, D.C., I will be signing a proposed rule to roll back the Clean Power Plan. No better place to make that announcement than Hazard, Kentucky.”

The repeal proposal, which will be filed in the Federal Register on Tuesday, fulfills a promise President Trump made to eradicate his predecessor’s environmental legacy. Eliminating the Clean Power Plan makes it less likely the United States can fulfill its promise as part of the Paris climate agreement to ratchet down emissions that are warming the planet and contributing to heat waves and sea-level rise. Mr. Trump has vowed to abandon that international accord.

In announcing the repeal, Mr. Pruitt made many of the same arguments that he had made for years to Congress and in lawsuits: that the Obama administration exceeded its legal authority in an effort to limit greenhouse gas emissions from power plants. (Last year, the Supreme Court blocked the rule from taking effect while courts assessed those lawsuits.) A leaked draft of the repeal proposal asserts that the country would save \$33 billion by not complying with the regulation and rejects the health benefits the Obama administration had calculated from the original rule.

Coal- and natural-gas-fired power plants are responsible for about one-third of America’s carbon dioxide emissions. When the Clean Power Plan was unveiled in 2015, it was expected to cut power sector emissions 32 percent by 2030, relative to 2005. While many states are already shifting away from coal power for economic reasons, experts say scrapping the rule could slow that transition.

Environmental groups and several states plan to challenge the repeal proposal in federal courts, arguing against Mr. Pruitt’s move on both scientific and economic grounds.

Industry groups cheered the announcement, but have also indicated that they would prefer that Mr. Pruitt replace the Clean Power Plan with a new, more modest regulation on power plants in order to blunt any court challenges. The

E.P.A. is still required to regulate greenhouse-gas emissions because of a 2009 legal opinion known as the endangerment finding.

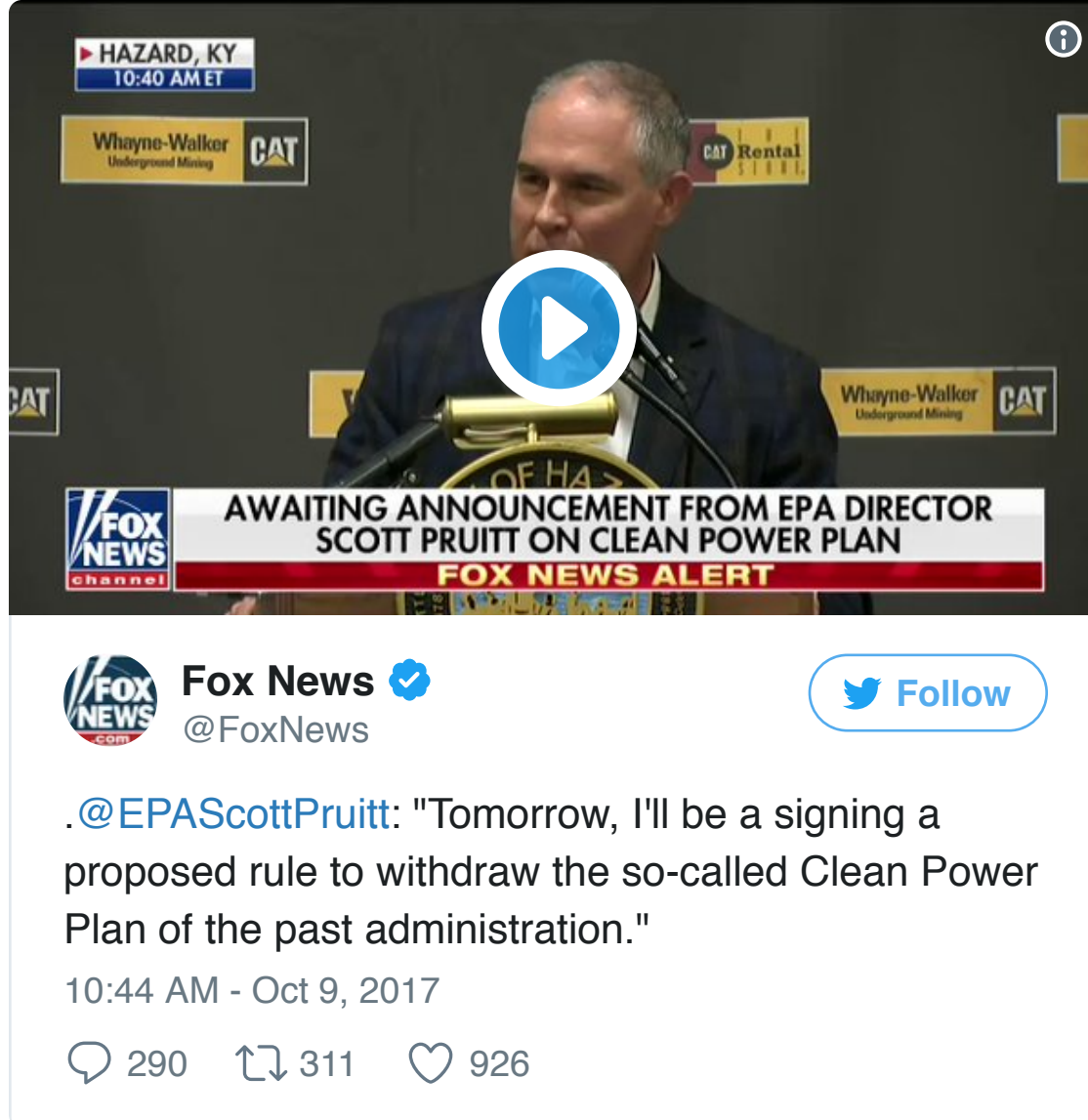
“We have always believed that there is a better way to approach greenhouse gas emissions reductions,” Karen A. Harbert, the president of the Chamber of Commerce’s Global Energy Institute said in a statement. “We welcome the opportunity for business to be at the table with the E.P.A. and other stakeholders to develop an approach that lowers emissions, preserves America’s energy advantage, and respects the bounds of the Clean Air Act.”

How does Trump plan to roll back the Clean Power Plan?

In order to regulate pollution from existing power plants, the E.P.A. has to set goals for each state based on what’s technically feasible and cost-effective. Under the Clean Power Plan, the Obama administration set targets by assuming utilities could improve the efficiency of their coal plants, shift from coal to cleaner natural gas, and add more renewable energy to their grids.

But Mr. Obama’s approach was controversial, because the E.P.A. assumed utilities could reduce emissions at individual plants by taking actions outside of those plants — say, by replacing coal plants with wind farms elsewhere. Industry groups and more than two dozen states challenged this move in court, arguing that the E.P.A. can only look at cleanup measures that can be undertaken at the plants themselves.

Mr. Pruitt is proposing to repeal the Clean Power Plan on this basis. He also argued that the Obama administration overstated the benefits of its rule by factoring in the gains from curbing global warming in other countries as well as from reducing harmful air pollutants other than carbon dioxide.



If Mr. Pruitt does end up pursuing a replacement rule, it would almost certainly be confined to inside-the-fenceline measures, like upgrading coal-plant boilers. Previous E.P.A. analyses found that such upgrades would lead to a roughly 4 percent increase in efficiency at coal plants.

What does this mean for emissions?

While the repeal of the Clean Power Plan offers a reprieve for America's coal industry, it is unlikely to halt the decline of coal altogether. Even in the absence of the rule, many utilities around the country have opted to shift to natural gas, wind and solar, driven by cost concerns and state-level policies. Many states, like California and New York, are already moving ahead of the targets set by the Clean Power Plan as they develop their own climate policies.

Gov. John Hickenlooper of Colorado, a Democrat, noted that his state has plans to exceed the goals that had been set under the Clean Power Plan because the state is closing coal plants early and developing jobs in wind and other renewables.

“We have dramatically cleaner air and we are saving money. My question to the E.P.A. would be, ‘Which part of that don’t you like?’ ” Mr. Hickenlooper said.

A new analysis by the research firm Rhodium Group estimated that United States electricity emissions are currently on track to fall 27 to 35 percent below 2005 levels by 2025, roughly in the range of what the Clean Power Plan originally envisioned, even if the regulation is repealed.

But John Larsen, the author of the Rhodium Group analysis, estimated that if Mr. Obama’s policies had remained in place, as many as 21 states would have had to make deeper reductions than they are currently expected to do without the rule — including Texas, West Virginia, Georgia, Pennsylvania and Wisconsin — and emissions most likely would have fallen further than the 32 percent originally envisioned.

“So for certain states,” Mr. Larsen wrote, “today’s announcement is a big deal.”

Experts also note that the Clean Power Plan would have prevented a rebound in coal use in case natural gas unexpectedly became more expensive or various policies to promote renewable energy were blunted. The repeal comes on the heels of a proposal by the Department of Energy to subsidize coal and nuclear plants by revamping electricity markets.

Jody Freeman, director of the environmental law program at Harvard Law School, said the Energy Department proposal combined with the Clean Power Plan repeal signals the Trump administration is putting its thumb on the scale in favor of fossil fuels.

“You see a pretty powerful message. Disavow any effort to control greenhouse gases in the power sector, and instead, intervene in the market to promote coal. It’s a wow,” she said.

What happens next?

Mr. Pruitt’s proposal for repeal will now have to go through a formal public-comment period before being finalized, a process that could take months. Mr. Pruitt will also ask the public for comment on what a replacement rule should look

like, but the E.P.A. has not offered a timeline.

Environmental groups and Democratic-controlled states are expected to challenge these moves on multiple fronts.

“Every step of this, from the repeal to the replacement, will involve a lot of time-consuming litigation, and we could ultimately see this end up in the Supreme Court,” said Richard L. Revesz, a professor of environmental law at New York University.

That raises the question of whether the Trump administration can craft and finalize a replacement rule by the 2020 election. Failure to do so, some industry groups worry, could allow a new administration to start over and impose a more stringent climate plan on power plants.

Partly for that reason, many states are already preparing for the prospect of tougher carbon regulations down the road.

Consider Arkansas, one of the states that challenged the Clean Power Plan in court. Ted J. Thomas, the chairman of the Arkansas Public Service commission, says that his state is nonetheless in the process of shifting from coal to cheaper natural gas. The initial rule also convinced the state to start exploring clean-energy options, like expanding wind power, promoting the use of smart meters, and developing a working group to look at carbon capture technology for coal plants.

“Even if they repeal the Clean Power Plan, or replace it with something that doesn’t require us to do very much, you still have to reckon with the fact that ultimately regulations on carbon are coming,” Mr. Thomas said. “So we need to develop options to deal with that other than sticking our heads in the sand and hoping we can just file lawsuits forever.”

“You can either be prepared or unprepared,” he added, “and that’s a pretty simple choice.”

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