

RPS Collaborative Webinar

The EPA Clean Power Plan and State RPS Programs

Hosted by
Warren Leon, Executive Director, CESA

June 23, 2016

Housekeeping



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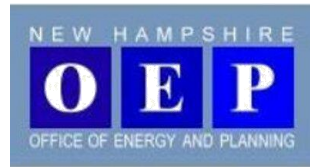
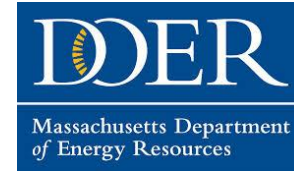
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CESA Members



RPS Collaborative

- With funding from the Energy Foundation and the US Department of Energy, CESA facilitates the **Collaborative**.
- Includes **state RPS administrators, federal agency representatives**, and other stakeholders.
- Advances dialogue and learning about RPS programs by **examining the challenges and potential solutions** for successful implementation of state RPS programs, including **identification of best practices**.
- To sign up for the Collaborative listserv to get the **monthly newsletter** and announcements of **upcoming events**, see: www.cesa.org/projects/state-federal-rps-collaborative

Today's Guest Speaker

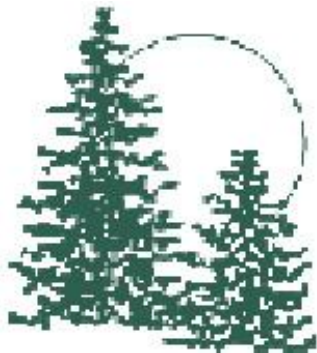
- **Ed Holt**, President, Ed Holt & Associates



Clean Energy States Alliance Webinar for
State-Federal RPS Collaborative

23 June 2016

The EPA Clean Power Plan and State RPS Programs



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- The information presented reflects the work and opinions of the author and do not necessarily represent the views of any funding agency or organization

The Clean Power Plan (CPP)

- EPA rule to reduce CO₂ emissions from existing power plants 32% by 2030
- Emission rates for 2 categories of “affected EGUs”
 - steam generating units
 - natural gas combined cycle units
- Alternative forms of emission goals for each state:
 - State-wide average emission rate
 - total tons of emissions per year
- Glide path
- States develop plans

Legal Status

- West Virginia v. Environmental Protection Agency
- Supreme Court granted a request for a “stay” pending judicial review
- DC Circuit Federal Court of Appeals will hear arguments September 27
- Date for initial submittal won't be enforced and the date for final plans will also probably slip

State Plan Options

	Rate-based	Mass-based
Emission standards approach	Obligation on affected EGUs	Obligation on affected EGUs
State measures approach	N/A	<u>State-enforceable measures*</u> with federally enforceable emission standards backstop

e.g. RPS

* State measures will lead to reductions in emissions by affected EGUs

Interactions: RPS and the CPP

- RPS and rate-based plans
 - How ERCs are used
- RPS and mass-based plans
- RPS in a state measures plan

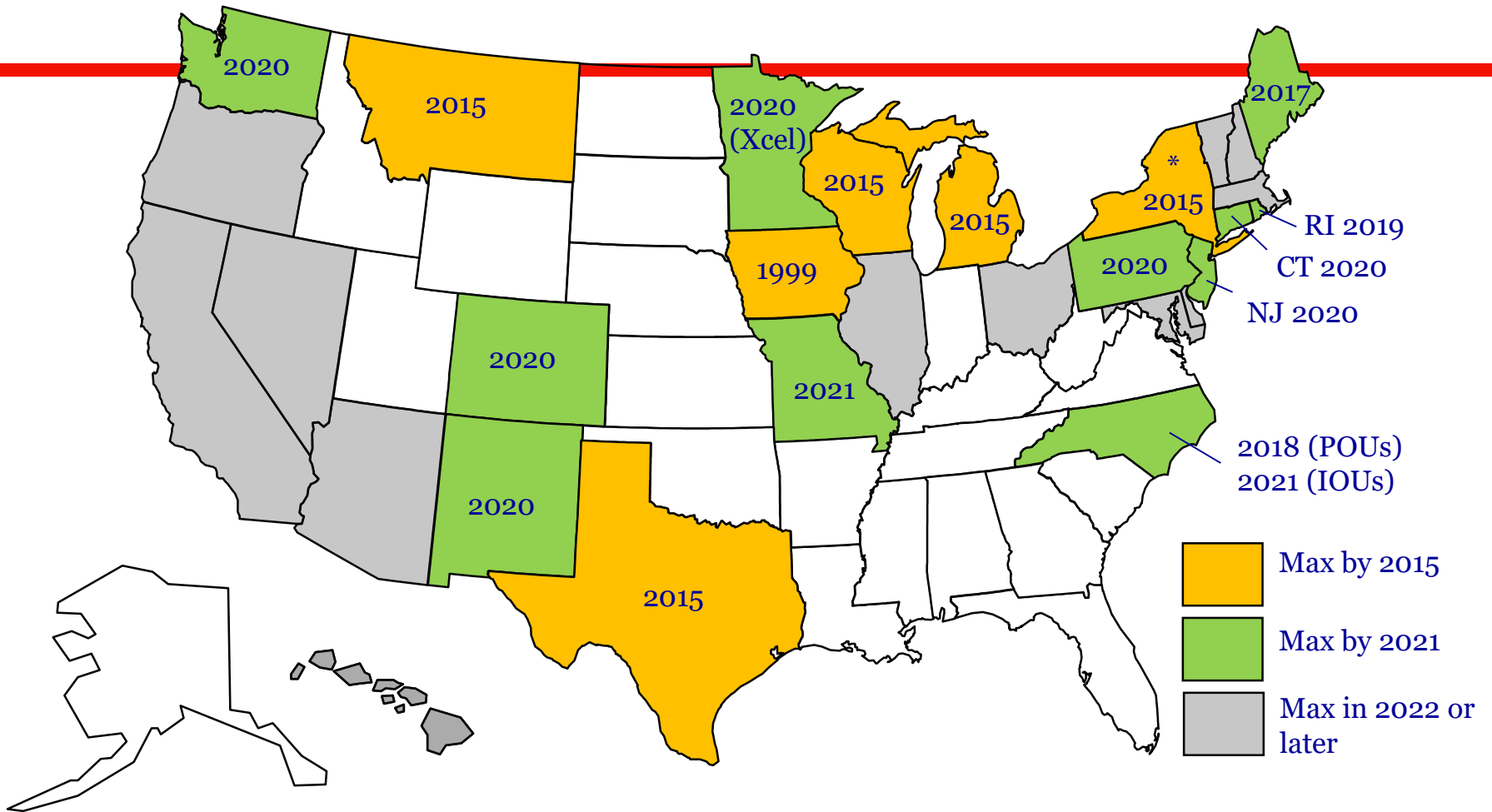
How ERCs Are Used

- **Actual** rate (lbs/MWh): = $\frac{\text{Emissions (lbs)}}{\text{Generation (MWh)}}$
 - If the actual rate is higher than the emission rate standard for that affected EGU, the EGU acquires ERCs
 - ERCs are added to the denominator as zero emission MWh to lower the rate:
- **Adjusted** rate (lbs/MWh) = $\frac{\text{Emissions (lbs)}}{\text{Generation (MWh) + ERC (MWh)}}$

Interactions: RPS and the CPP

- RPS and rate-based plans
- RPS and mass-based plans
 - to the extent it displaces in-state generation at affected EGUs
- RPS in a state measures plan
 - quantifiable, verifiable, enforceable, non-duplicative, and permanent

Timing of RPS and CPP



* New York's governor has directed the PSC to adopt a new standard of 50% by 2030

ERCs, Allowances—and RECs

- Emission rate credit (ERC) = a zero-emission MWh
- REC = generation attributes of one MWh
- Do ERCs and RECs double-count the same thing?
 - EPA: separate instruments, not double counting
- Allowance = authorization to emit a ton of CO₂ from an affected EGU

CPP and Certificate Tracking Systems

- EPA-administered and EPA-approved tracking systems
- ERC tracking
- A state and its agent
- Allowance tracking

Thank you for attending our webinar

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