

**Statement of the  
National Rural Electric Cooperative Association  
at the  
EPA Public Hearing on the Proposed Revisions to the Section 111b  
New Source Performance Standards for Greenhouse Gas Emissions from  
New, Modified and Reconstructed Fossil Fuel-fired Power Plants  
February 14, 2019 – Washington, DC**

Good morning. My name is Daniel Chartier. On behalf of the National Rural Electric Cooperative Association, thank you for the opportunity to provide this statement on the Environmental Protection Agency's proposal to revise the New Source Performance Standards for new, modified and reconstructed fossil-fired power plants.

NRECA is the national service organization for more than 900 not-for-profit electric utilities that provide electricity service to 1 in 8 electricity consumers nationwide. NRECA members own and maintain 2.6 million miles, or 42 percent, of the nation's electric distribution lines and sell 13 percent of the total kilowatt-hours generated in the U.S. each year.

Electric cooperatives are community-focused organizations that deliver affordable, reliable and safe electricity to their consumer-members. They were built by and are led by the communities they serve so each cooperative is different depending on their community's specific needs. Cooperatives have for 80 years empowered their residents to improve their quality of life and are vital to the economic health of the communities they serve.

Many of NRECA's member cooperatives are at the forefront of efforts to reduce CO<sub>2</sub> emissions and investing in renewable energy sources and energy efficiency measures. More than 95% of electric cooperatives provide electricity generated from renewable sources. And 82% of cooperatives offer their members some type of energy efficiency program, including rebates for efficient appliances and other incentives. Initiatives like those are among the

reasons why CO<sub>2</sub> emissions reductions are occurring at a consistent or faster rate than was projected even a few years ago. In fact, CO<sub>2</sub> emissions from the electricity sector have decreased 28% below 2005 levels.

NRECA supports EPA's efforts to revise the 2015 New Source Performance Standards for new, modified, and reconstructed fossil fuel-fired electric generating units (EGUs) in a manner that is consistent with EPA's authority under Section 111(b) of the Clean Air Act, with the goal of promulgating standards that are reasonable and achievable nationwide.

NRECA supports EPA's selection in the proposal of supercritical boiler design for large EGUs and efficient subcritical boiler design for small EGUs as the best system of emission reduction for new coal-fired facilities. These technologies have been commercially demonstrated in the utility industry and will meaningfully constrain the greenhouse gas emissions of new power plants.

We also concur with EPA's position that carbon capture and sequestration (CCS) should not be the basis for the best system of emissions reduction (BSER). Two factors drive this position.

First, BSER must be implementable by all sources in a category, meaning it must be a technology that can be widely implemented by all sources. CCS cannot be implemented in many areas of the country due to the lack of appropriate geologic formations to store CO<sub>2</sub> and because the necessary CO<sub>2</sub> pipeline infrastructure does not exist to transport CO<sub>2</sub> among regions. Further to this point, although EPA inquires in its proposal regarding the potential for geographic subcategorization, NRECA believes EPA lacks authority to undertake geographic subcategorization.

Second, we concur with EPA's assessment that CCS is not currently commercially viable or cost effective. NRECA supports continued research and development activities that we anticipate will result in CCS becoming a future option for controlling CO<sub>2</sub> emissions. However, as we will explain in our written comments, many of the projects EPA relied on in the 2015 rule, including Kemper, Boundary Dam and Petra Nova, have faced financial and operational challenges that continue to make them unsuitable for BSER determination.

EPA also solicits comments in its proposal on the limits applicable to non-baseload combustion turbines. In its 2015 rule, EPA believed that simple cycle turbines would be

excluded from regulation under the NSPS “as a practical matter” since the vast majority of simple cycle units had historically been used to meet peak demand. EPA therefore included applicability requirements such that the NSPS requirement would not apply to units with “net electric sales  $\leq$  design efficiency.” While EPA recognized that simple cycle units often supported variable renewable generation, the 2015 regulation today may inhibit non-baseload units from operating in a way that adequately supports and stabilizes the grid in the face of ever increasing renewable energy penetration. Should EPA decide to address the standards for non-baseload combustion turbines, we urge it to be done through a separate rulemaking.

In closing, we appreciate and support EPA’s effort to revise the 111(b) standards. NRECA will also submit detailed written comments to the docket to complement this statement.

Thank you.