

**Testimony of
Bill Becker
on behalf of the
National Association of Clean Air Agencies
before the
U.S. Environmental Protection Agency
on the
Proposed Carbon Pollution Emission Guidelines for Existing Stationary Sources:
Electric Utility Generating Units
Docket ID No. EPA-HQ-OAR-2013-0602**

**July 29, 2014
Washington, DC**

Good morning. My name is Bill Becker and I am the Executive Director of the National Association of Clean Air Agencies, or NACAA. Our members include 42 state and 116 local air pollution control agencies that partner with EPA to implement and enforce the Clean Air Act. Section 111(d) of the Clean Air Act vests our member agencies with the ultimate responsibility to draft, sign, and submit state plans under EPA's Clean Power Plan proposed rule. Therefore, I am pleased to have the opportunity to testify this morning and to provide some initial reactions to EPA's proposal. The views expressed in this statement do not reflect the views of all NACAA member agencies.

More than one year ago, EPA began its efforts to develop this rule and conducted some early outreach to NACAA and other stakeholders. In response, NACAA developed a set of Section 111(d) Principles and submitted them to the agency in August 2013. A copy of NACAA's Principles is attached to our testimony.

NACAA recognizes the extensive level of EPA staff effort that went into developing the proposed Section 111(d) guidelines. Though its proposal does not offer everything for everyone, we appreciate that EPA has included much of what NACAA recommended in its Section 111(d) Principles. I will give you some general examples by highlighting features of the proposal that are consistent with our 2013 Principles.

In terms of process, EPA deserves credit for its outreach effort, which was truly unprecedented in duration and scope. The agency sought input from many groups, especially state and local air pollution control agencies. It was inclusive of key interests and expertise from other stakeholders such as state energy officials and utility commissioners. And those conversations remain ongoing. Further, EPA not only engaged in discussion, it listened carefully to what was said.

In our Principles, NACAA asked for emission limits that reflect different state circumstances. EPA's proposal includes state-specific goals based on state and regional factors. We asked for flexibility. The proposed rule incorporates four building blocks for setting the Best System of Emission Reduction including renewable energy and energy efficiency. The proposal also includes compliance flexibility beyond the four building blocks to credit strategies like fuel switching and new Natural Gas Combined Cycle capacity. The proposal gives states wide latitude to identify their overall compliance strategies in response to their local circumstances. We asked for more time, for states to develop plans and for affected sources to meet their obligations. The proposal offers a one-year extension for all states and an additional year for states that elect to adopt a multi-state approach. Affected power plants also have a decade to comply with the new standard. In sum, the proposed rule reflects many of the issues NACAA highlighted almost one year before the proposal was released.

Undoubtedly, the same state and local dialogue that informed EPA's Clean Power Plan proposal must also inform its final rule. NACAA's members are still considering the proposal's numerous and complex facets, but much of their analysis so far has focused on the calculation of individual state goals. Some states have expressed concerns that, due to the stringency of their proposed targets, their compliance flexibility is significantly limited. Further, while we appreciate the extra time EPA is providing to develop state plans, we are hearing from some states that they may still need additional time given their state legislatures' schedules and rulemaking timeframes. Finally, many states are concerned that the proposal does not adequately

reward states that took early action. We strongly encourage EPA to work with NACAA and the individual states to address each of these issues in the final rule.

Though not strictly part of the proposal, the significant resources that state and local agencies will need to make the Clean Power Plan a success must be addressed. The planning and analysis needed to meet EPA's targets are substantial and require additional support. The President recognized this challenge in his proposed FY 2015 budget when he asked for a nearly \$20-million increase to support Section 111(d) state plan development. NACAA reiterates its strong support for this additional funding but cautions against this funding coming at the expense of funding for state and local air agencies' core programs. Further, we urge EPA to build upon its strong foundation of pre-proposal dialogue to develop resources to facilitate states' abilities to conduct their Section 111(d) planning.

As we move further into the comment period, NACAA will continue to examine the proposed rule, and suggest changes to improve it. We fully expect that the outreach offered during the pre-proposal period will continue through and beyond the comment window. We look forward to developing more detailed comments and to a continued conversation with EPA. Once again, thank you for this opportunity to testify today.