



## **POLICY BRIEF: Clean Air Act Authority to Clean Up Global Warming Pollution**

The climate bills currently on the table provide down payments on cutting greenhouse gas pollution between now and 2020 to solve the climate crisis. If we are to have any real world hope of cutting emissions in half before 2030 and averting catastrophic change, we must also reduce the enormous greenhouse gas pollution of the coal industry as fast as possible. Preserving Clean Air Act authority to regulate greenhouse gas pollution is a key to success.

**A strong history.** The history of the Clean Air Act shows why industry’s shrill attacks are the same false, broken record they have been playing for decades. Since the Clean Air Act went into effect in 1970, the coal industry has consistently resisted attempts to clean up their coal-fired power plants. The original Clean Air Act “grandfathered” old coal plants because the industry argued these plants would eventually be retired. But the coal industry did not retire the old plants, and instead upgraded them and expanded them, at a huge cost-advantage since they had no pollution controls.

In 1990, Congress amended the Clean Air Act because the law was not working well enough to clean up air pollution. Congress targeted acid rain pollution from coal plants with a new regulatory approach – the acid rain cap and trade system. In response, utilities switched to low sulfur coal or they cleaned those plants up with scrubbers – which did not hurt their profits. Rather, technological innovation resulted in dramatic reductions in acid rain pollution.

Industry claims of economic doom associated with air pollution regulation have repeatedly proved baseless. Over thirty years ago, the Environmental Protection Agency (EPA) proposed to regulate toxic lead emissions from engines. The Chamber of Commerce predicted widespread industrial collapse, which never occurred, and now we have 92 percent less lead pollution in the air. Similar claims of economic doom were made when EPA began to regulate ozone-depleting compounds like chlorofluorocarbons. But the refrigeration industry innovated in response to regulation, and we prevented the ozone hole from becoming a planetary crisis.

**Business as usual.** Repealing Clean Air Act authority to regulate greenhouse gas pollution from coal plants would lock in 1.3 billion tons of utility sector carbon emissions for decades. It would set the stage for power companies making massive investments in the remaining coal power in the U.S. – especially the very old, outdated plants. If the coal industry faces no greenhouse gas emission limits, they will do as they did when the Clean Air Act was first introduced in 1970 and then amended in 1990 – they will argue that carbon prices are so uncertain that they should be allowed to prolong the operation of

aging coal-fired plants, and install new equipment such as scrubbers and coal ash disposal facilities, rather than invest in newer, cleaner energy sources.

**A clean energy future.** EPA's Clean Air Act regulation of greenhouse gas pollution will spur innovation and gradually reduce emissions from the very largest polluters in the next decade. EPA has announced plans to target feasible, commercially available improvements to large facilities, including efficiency improvements, waste heat recovery, and co-firing with biomass and other low-greenhouse gas fuels. In some instances it may be practical to convert facilities entirely to natural gas or other cleaner fuels.

The Clean Air Act requires that cost effectiveness and technical feasibility be factored into all emission limit requirements adopted as "new source performance standards" (NSPS) or "best available control technology" (BACT) for air pollution sources. For example, the NSPS analysis includes an assessment of the economic costs to the industry and industry's ability to pass along costs to consumers without affecting demand. The BACT analysis includes an assessment of the cost per ton of pollution reduced, taking into consideration the capital and operating costs of the pollution control equipment options.

**International competitiveness.** There is no evidence that EPA's use of Clean Air Act authority will give overseas competitors an unfair advantage or drive U.S. business overseas. EPA participated in a multi-agency technical study in 2009 that showed the cost of greenhouse gas controls would not be significant enough to create international competition or pollution "leakage" problems.

If we eliminate Clean Air Act emission standards, our coal fleet in 2020 will look much more like China's – newly invested in, a long-term asset, and much less like it does today – an aging, outmoded fleet, two-thirds of which does not meet emission standards for any pollutants.