

## FEDERAL CLEAN POWER PLAN

On August 3, 2015, the U.S. EPA signed the final carbon dioxide (CO2) emission limits for existing fossil-fuel power plants, known as the “Clean Power Plan” (CPP). The regulation is sometimes referred to as “111(d)”. The rule is both lengthy (over 1,550 pages) and complex. To date, at least 15 states have initiated legal challenges, including Indiana.

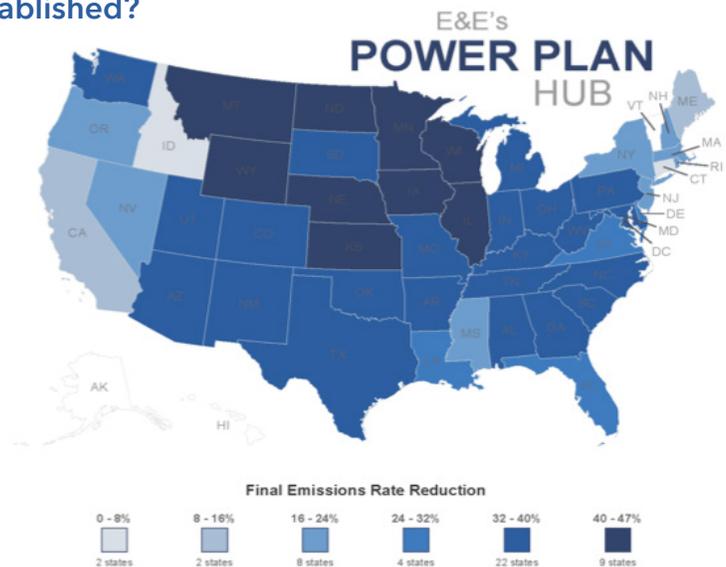
EPA has made substantial changes from the proposed rule it released in June 2014. Under EPA’s final rule, Indiana’s goals are stricter than those included in the initial proposed rule.

### What are the Goals? How Were They Established?

In the final rule, EPA changed from a state-level approach to a regional-level approach in determining state goals. The EPA divided the country into three geographic regions. Indiana is in the Eastern interconnect region that includes the states east of the Rockies excluding Texas.

EPA has established two alternative metrics for setting emissions targets:

1. An emission rate target measured in pounds of carbon dioxide (CO2) per net megawatt-hour; or
2. A mass-based cap measured in millions of tons of CO2 emissions.



### How Can States Comply?

States can craft their own compliance plans through a state plan, which must be approved by the U.S. EPA. If a state chooses not to establish its own plan, the EPA will impose a federal plan.

TIMING	Plan Submittals	Submission Dates
	State Plan OR initial submittal with extension request	September 6, 2016
	Progress update, for states with extensions	September 6, 2017
	State Plan, for states with extensions	September 6, 2018
	State milestone reports	July 1, 2021
	Rule takes effect; Compliance Plans effective	2022
	<b>COMPLIANCE DEADLINE</b>	<b>2030</b>

### Compliance Measures

Measures identified by the EPA that may be used to achieve compliance include:

- Efficiency improvements at existing coal plants;
- Coal plant closures;
- Switching to fuels with lower CO2 emissions such as renewables, natural gas or nuclear;
- Increasing energy efficiency programs to reduce demand, thereby lowering emissions; and
- Meeting targets through a single state or multi-state market based program/“cap and trade” program where allowances or emission reduction credits would be purchased to meet state goals.

### Next Steps

The IEA supports the State in its efforts to litigate.

The IEA believes the State should start planning for a state plan approach and obtain a two-year extension of this process.

