

**Opening Statement of Janet McCabe  
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**Hearing on EPA's Proposed GHG Standards for New Power Plants and  
H.R. \_\_, Whitfield-Manchin Legislation  
Subcommittee on Energy and Power  
Committee on Energy and Commerce  
U.S. House of Representatives  
November 14, 2013**

Chairman Whitfield, Ranking Member Rush, members of the Subcommittee: Thank you for the opportunity to testify today on EPA's recently issued proposed carbon pollution standards for new power plants and the related discussion draft under consideration in the Committee. Although the Administration does not currently have a formal position with regard to the draft legislation, we do have serious concerns and in my testimony I will make several points that I hope will assist the Committee in its consideration of the draft.

Climate change is one of the greatest challenges of our time. If unchecked, it will have devastating impacts on the United States and the planet. Reducing carbon pollution is critically important to the protection of Americans' health and the environment upon which our economy and security depend.

Responding to climate change is an imperative that presents both an economic challenge and an economic opportunity. As President Obama and Administrator McCarthy have underscored, both the economy and the environment must provide for current and future generations. We can and must embrace cutting carbon pollution as a spark for business innovation, job creation, clean energy and broad economic growth.

In June, President Obama issued a national Climate Action Plan, which directs the EPA and other federal agencies to take steps to mitigate the current and future damage caused by greenhouse gas emissions and to prepare for the climate changes that have already been set in motion. A key element of the plan is addressing carbon pollution from new and existing power plants.

Power plants are the single largest source of carbon pollution in the United States, accounting for about a third of U.S. emissions. In March 2012, the EPA first proposed carbon pollution standards for future power plants. After receiving over 2.7 million comments, we determined to issue a new proposed rule based on this input and updated information.

In September, the EPA announced its new proposal. The proposed standards would establish the first uniform national limits on carbon pollution from future power plants. They will not apply to

existing power plants. The proposal sets separate national limits for new natural gas-fired turbines and new coal-fired units. New large natural gas-fired turbines would need to emit less than 1,000 pounds of CO<sub>2</sub> per megawatt-hour, while new small natural gas-fired turbines would need to emit less than 1,100 pounds of CO<sub>2</sub> per megawatt-hour. New coal-fired units would need to emit less than 1,100 pounds of CO<sub>2</sub> per megawatt-hour. Operators of these units could choose to have additional flexibility by averaging their emissions over multiple years to meet a somewhat tighter limit.

The standards reflect the demonstrated performance of efficient, lower carbon technologies that are currently being constructed today. They set the stage for continued public and private investment in technologies like efficient natural gas and carbon capture and storage. The proposal is currently available to the public and the formal public comment period will begin when the rule is published in the Federal Register. We look forward to robust engagement on the proposal and will carefully consider the comments and input we receive as a final rule is developed.

As noted, the proposed rule would apply only to future power plants. For existing plants, we are engaged in outreach to a broad group of stakeholders who can inform the development of proposed guidelines, which we expect to issue in June of 2014. These guidelines

will provide guidance to States, which have the primary role in developing and implementing plans to address carbon pollution from the existing plants in their states. We recognize that existing power plants require a distinct approach, and this framework will allow us to capitalize on state leadership and innovation while also accounting for regional diversity and providing flexibility.

The EPA's stakeholder outreach and public engagement in preparation for this rulemaking is extensive and vigorous. We held eleven public listening sessions around the country at EPA regional offices and our headquarters in Washington, DC. We are convening or participating in numerous meetings with a broad range of stakeholders across the country. And all of this is happening well before we propose any guidelines. When we issue proposed guidelines next June, the more formal public process begins – including a public comment period and an opportunity for a public hearing – which will provide yet further opportunity for stakeholders and the general public to provide input.

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In addition to the proposed carbon pollution standards, I have also been asked to provide testimony on the discussion draft that is the subject of this hearing. Although the Administration does not currently have a position on the draft, we do have serious concerns and I will offer a few points that I hope will assist the Committee in its

deliberations. The draft bill would repeal the pending proposed carbon pollution standards discussed above, delaying action and regulatory certainty on future power plants. Further, it would require the EPA to base any new carbon standards for future power plants solely on the performance of specified numbers and types of existing power plants. Such a requirement would stifle progress in reducing carbon pollution by discouraging the adoption of innovative technology that is available and effective today – and would limit further development of cutting-edge clean energy technologies. Finally, the draft bill could indefinitely delay cutting carbon pollution from existing power plants by prohibiting EPA rules from taking effect until Congress passes legislation setting the effective date of the rules. This, in turn, would prevent timely action on the largest source of carbon pollution in the country, the power sector.

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President Obama’s Climate Action Plan provides a roadmap for federal action to meet the pressing challenge of a changing climate – promoting clean energy solutions that capitalize on American innovation and drive economic growth and providing a role for the full range of fuels, including coal and natural gas. EPA’s proposed carbon pollution standards for power plants are one important element of this plan and we look forward to incorporating public and stakeholder input in the development of the final standards.

Thank you again for the opportunity to testify on this important subject, and I look forward to answering your questions.