

## EPA'S CLEAN POWER PLAN

The U.S. Environmental Protection Agency (EPA) finalized its Clean Power Plan (CPP) rule in August 2015, requiring a 32 percent reduction in U.S. carbon dioxide (CO<sub>2</sub>) emissions by 2030. The rule requires existing fossil-fuel-fired power plants (electric utilities) to reduce their carbon footprint, setting performance rates for carbon emissions from steam and natural gas combined cycle units.

Under the Clean Power Plan, EPA set emission reduction goals for each state, and the states have flexibility in how they achieve those goals. In general, states may choose from two types of emission plans:

- a mass-based plan which limits the total tons of carbon dioxide affected utilities can emit in a given time period, or
- a rate-based plan, in which affected utilities lower their emission rate by using credits earned from new generation from zero-emitting sources such as wind, solar, hydro, energy efficiency, etc.

The rule requires states to submit an initial plan to EPA on how it intends to meet its goals by Sept. 6, 2016, and a final plan by Sept. 6, 2018. However, on Feb. 9, 2016, the U.S. Supreme Court granted a stay of the Clean Power Plan. The stay remains in effect until the D.C. Circuit Court of Appeals decides the merits of the litigation against the Clean Power Plan and if the parties appeal to the Supreme Court — until the Supreme Court acts. EPA cannot enforce or implement the rules until the stay is lifted. It is uncertain when the litigation will be resolved and state leaders have paused further stakeholder engagement and potential implementation planning until there is greater certainty from the judiciary.

State leaders remain frustrated that the EPA rule did not better credit Iowa for its early leadership in renewables. However, Iowa seems poised to meet the carbon emission reduction goals due to

- early investments in wind and other clean energy sources,
- energy efficiency advancements, and
- replacement of older, coal-fired plants with more efficient fuel sources.

Carbon emission trends from affected units in Iowa from 2005 – 2015 are shown on the back.

The Department of Natural Resources (DNR), the Iowa Utilities Board, and Iowa Economic Development Authority have spent the past two years meeting with a diverse group of stakeholders to listen and learn more about the potential impacts of the Clean Power Plan. Find more information on the stakeholder process at [www.iowadnr.gov/111d](http://www.iowadnr.gov/111d). The stakeholder group recently decided to pause future stakeholder meetings until the D.C. Circuit Court of Appeals rules on merits of the Clean Power Plan litigation.

DNR will continue to update and inform stakeholders as the Clean Power Plan litigation moves through the courts. For more information, contact Marnie Stein at 515-725-9555 or [Marnie.Stein@dnr.iowa.gov](mailto:Marnie.Stein@dnr.iowa.gov).

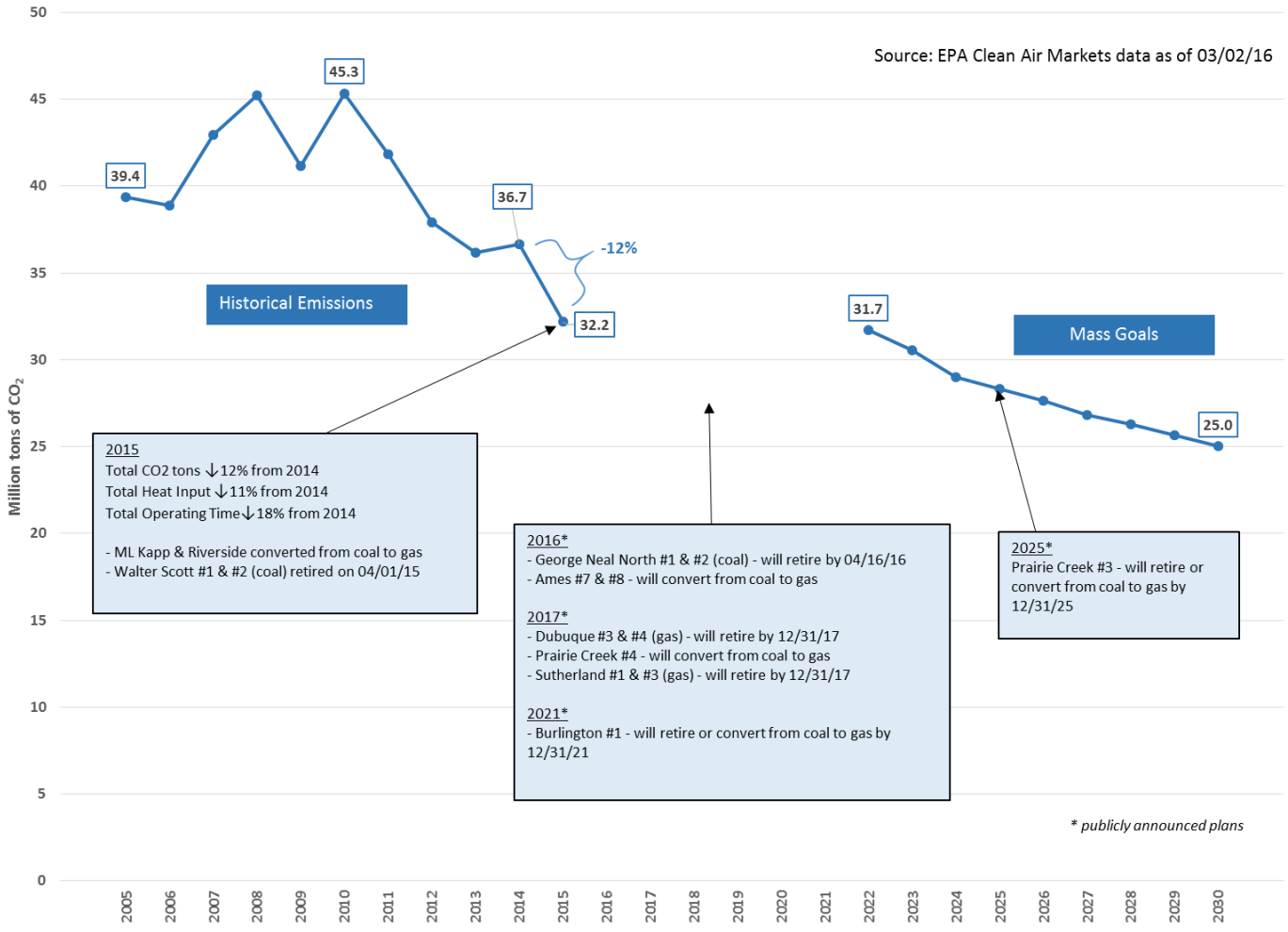
DNR will continue to collaborate with the Iowa Economic Development Authority and Iowa Department of Transportation as the Iowa Energy Plan ([www.iowaenergyplan.org](http://www.iowaenergyplan.org)) is developed in 2016. (over)

### Stakeholder Engagement

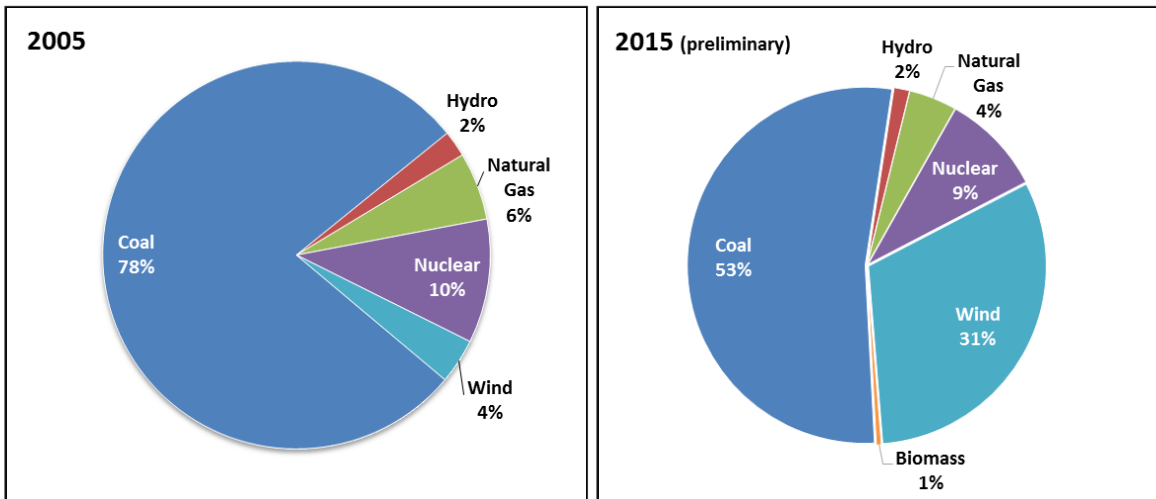
AFL-CIO  
Alliant Energy  
American Coalition for Clean Coal Electricity  
American Wind Energy Association  
Berkshire Hathaway Energy  
Black Hills Corporation  
Environmental Groups such as:  
Environmental Law & Policy Center, Iowa  
Environmental Council, Interfaith Power & Light,  
NRDC and Sierra Club  
Industrial Energy Users such as:  
Alcoa, Cargill, CF Industries, Gerdau, John Deere and Vermeer  
Iowa Association of Electric Cooperatives  
Iowa Association of Municipal Utilities  
Iowa Energy Foundation  
Iowa Public Health Association  
Iowa Utility Association  
Iowa Wind Energy Association  
Meskwaki Nation  
MidAmerican Energy Company  
Midwest Energy Efficiency Alliance  
MISO Regional Transmission Organization  
Municipal Utilities  
Renewable Energy Companies  
Rural Electric Cooperatives  
Solar Energy Industries Association  
Southwest Power Pool  
Transmission Companies  
Winneshiek Energy District  
*....and many others not individually listed*

## Total CO<sub>2</sub> Emissions from CPP-Affected Units & CPP Mass Goals

Source: EPA Clean Air Markets data as of 03/02/16



## Iowa Electricity Generation by Fuel Type



Source: Energy Information Administration