

United States Senate
WASHINGTON, DC 20510

June 27, 2023

VIA ELECTRONIC TRANSMISSION

The Honorable Michael S. Regan
Administrator
U.S. Environmental Protection Agency

Dear Administrator Regan:

In May 2023, the Environmental Protection Agency (EPA) proposed two rules regarding emissions. One rule seemingly limits the output of power plants (The Power Plant Rule), while the other rule appears to increase dependency on them (The Electric Vehicle Rule).

The proposed Power Plant Rule seeks to regulate gas emissions from fossil fuel-fired electric generating units under the authority of the Clean Air Act.¹ This rule would set new caps on emissions for power plant operators making it more expensive to produce electricity.² The rule would require most gas and coal-fired power plants in operation to cut their carbon-dioxide emission by 90 percent by 2040 or shut down.³ Most of our 3,400 natural gas and coal plants would be affected by this rule, which is roughly 25 percent of the country's greenhouse gas emissions.⁴ The rule also discourages the construction of new, gas-fired plants by imposing expensive, new standards.⁵

Our current dependency on these fossil fuel plants is substantial. As recent as 2022, U.S. Energy Information Administration figures show fossil fuels accounted for more than 60% of our electricity generation, with 60% of that amount coming from gas and 40% from coal.⁶ Renewables, on the other hand, accounted for only 21.5%, with nuclear energy making up the rest.⁷ The U.S.

¹ New Source Performance Standards for Greenhouse Gas Emissions From, New, Modified, and Reconstructed Fossil-Fired Electric Generating Units; Emission Guidelines for Greenhouse Gas Emissions From Existing Fossil Fuel-Fired Electric Units; and Repeal of the Affordable Clean Energy Rule, 88 Fed. Reg. 99 (proposed May 23, 2023) (to be codified at 40 C.F.R. pt. 60).

² Coral Devenport, *E.P.A. Proposes First Limits on Climate Pollution From Existing Power Plants*, THE NEW YORK TIMES, (May 11, 2023), <https://www.nytimes.com/2023/05/11/climate/epa-power-plants-pollution.html>.

³ Diana Furchtgott-Roth, *10 Reasons Why EPA's New EV Regs Weaken America, Strengthen China*, FORBES, (May 1, 2023), <https://www.forbes.com/sites/dianafurchtgott-roth/2023/05/01/10-reasons-why-epas-new-ev-regs-weaken-america-strengthen-china/?sh=741c33be720c>.

⁴ Rebecca Leber, *The EPA's Long-delayed New Rules For Power Plant Pollution, Explained*, VOX, (May 11, 2023), <https://www.vox.com/climate/2023/5/11/23695884/biden-epa-climate-power-plant-regulation>.

⁵ *Id.*

⁶ Valerie Volcovici, *Biden EPA to Issue Power Plant Rules That Lean On Carbon Capture*, REUTERS, (Apr. 24, 2023), <https://www.reuters.com/business/sustainable-business/biden-epa-issue-power-plant-rules-that-lean-carbon-capture-2023-04-23/>.

⁷ *Id.*

relies heavily on power plants to fuel Americans' homes, businesses, and even their cars.⁸ If the proposed rule targeting power plants is finalized the price of electricity will increase due to the burden it would place on the energy providers.⁹

The proposed rule may not be workable due to a lack of available technology. The rule implies the wide use of new, carbon capture technology as a method to reduce emissions being released into the atmosphere.¹⁰ Despite the EPA's analysis, there's concern that the carbon capture technology is not yet technically, and fully, economically demonstrated for large scale use.¹¹ Because of that, the regulations could force coal and gas-fired power plants to shut down and leave the grid vulnerable to blackouts, more expensive to operate, and subject to long-term consequences.¹²

Put simply, the Power Plant Rule, proposed by the EPA, will decrease our ability to rely on our power grid because of challenges to cost and output. The power plants that cannot reduce their emissions enough to meet the standards will close, taking power offline and reducing the reliability of our grid.¹³

The proposed Electric Vehicle Rule is at odds with The Power Plant Rule. The Electric Vehicle Rule is for new vehicular-emissions standards for criteria pollutants and greenhouse gases pursuant to its authority under the Clean Air Act.¹⁴ These standards extend the EPA's existing emissions standards for passenger cars and light trucks for model years 2023 through 2026.¹⁵ The EPA expects compliance with the rule will result in at least 60% of new passenger vehicles sold in the U.S. being electric by 2030.¹⁶

Electric vehicles are powered by lithium-ion batteries. These batteries require electric charging stations to run. By requiring more electric vehicles to be on the road, the EPA will increase the demand for electricity too.¹⁷ This will increase our dependency on the power grid.

The two rules proposed by the EPA directly conflict. More electric vehicles mean more dependency on an increasingly challenged power grid. At the same time, the regulations on the

⁸ *Id.*

⁹ Furchtgott-Roth, *supra* note 3.

¹⁰ Leber, *supra* note 4.

¹¹ Jeff Brady, *An EPA Proposal to (Almost) Eliminate Climate Pollution From Power Plants*, NPR, (May 11, 2023), <https://www.npr.org/2023/05/11/1169967646/an-epa-proposal-to-almost-eliminate-climate-pollution-from-power-plants>; *Factbox: Emerging Carbon Capture Projects At U.S. Power Plants*, REUTERS, (May 12, 2023), <https://www.reuters.com/sustainability/emerging-carbon-capture-projects-us-power-plants-2023-05-12/>; Eden Weingart, *How Does Carbon Capture Work?*, THE NEW YORK TIMES, (Mar. 19, 2023), <https://www.nytimes.com/interactive/2023/03/19/us/carbon-capture.html>.

¹² *Id.*

¹³ Travis Fisher, Study: Assessing Emerging Policy Threats to the U.S. Power Grid, INSTITUTE FOR ENERGY RESEARCH, (Feb. 2, 2015), <https://www.instituteforenergyresearch.org/greatest-threat-power-grid-govt/>.

¹⁴ Multi-Pollutant Emissions Standards for Model Years 2017 and Late Light-Duty and Medium-Duty Vehicles, 88 Fed. Reg. 87 (proposed May 5, 2023) (to be codified at 40 C.F.R. pt. 19, 86, 523, 600, 1066, and 1867).

¹⁵ These new standards pertain to light-duty vehicles and Class 2b and 3 ("medium-duty") vehicles. The proposed standards would phase-in over model years 2027 through 2032. *Id.*

¹⁶ *White House Proposes Strict New Auto Emission Limits To Boost Electric Vehicle Sales*, CBS NEWS, (Apr. 12, 2023), <https://www.cbsnews.com/news/auto-emission-limits-epa-electric-vehicle-sales-biden-administration>.

¹⁷ Ivan Penn & Eric Lipton, *The Lithium Gold Rush: Inside the Race to Power Electric Vehicles*, THE NEW YORK TIMES, (May 6, 2021), <https://www.nytimes.com/2021/05/06/business/lithium-mining-race.html>.

power plants are expected to raise monthly electricity rates.¹⁸ This would drive up the cost of electricity for Americans in both everyday use and for charging these electric vehicles.¹⁹ The price of electricity is currently already inflated as consumers paid 14.3% more for electricity in 2022 than they did in 2021.²⁰ The EPA's proposed rule is designed to increase the purchase and use of electric vehicles, which will only increase monthly electric bills at a time when Americans already have less money in the bank due to inflation.

These two rules the EPA has proposed put hard-working Americans between a rock and hard place. With one rule, the EPA limits and undermines the national power grid and accessibility to cheap power, and with the other, it increases America's dependency on the power grid. For Congress to better understand EPA's basis for these proposed rules, please provide answers to the following questions by July 11, 2023:

1. How does the EPA reconcile the two proposed rules? Has the EPA analyzed the conflicted impact that will be created by both rules? If so, provide all records.²¹ If not, why not?
2. What evidence does the EPA have that carbon capture technology will be fully available and functional to lower emissions for power plants? What evidence does the EPA have with respect to the increased electricity cost to consumers if the technology is used? Provide all records.
3. Does the EPA have a plan in place to prevent the significant increase in the price of electricity that would take place if both proposed rules are finalized? If so, provide all records. If not, why not?

Thank you for your prompt attention to this matter. Should you have any questions, please contact my Committee staff at (202) 224-0642.

Sincerely,

¹⁸ Mark Ballard, *Lower Emissions, But Higher Electric Bills? This EPA Plan Could Force You to Pay More*, NOLA, (May 11, 2023), https://www.nola.com/news/politics/proposed-epa-rule-could-increase-price-of-electricity/article_a776226a-f02a-11ed-9080-67d7ded77969.html.

¹⁹ Furchtgott-Roth, *supra* note 3.

²⁰ *Electricity Prices Surged 14.3% in 2022, Double Overall Inflation: US Report*, UTILITY DIVE, (Jan. 19, 2023), <https://www.utilitydive.com/news/electricity-prices-inflation-consumer-price-index/640656/>.

²¹ "Records" include any written, recorded, or graphic material of any kind, including letters, memoranda, reports, notes, electronic data (e-mails, email attachments, and any other electronically-created or stored information), calendar entries, inter-office communications, meeting minutes, phone/voice mail or recordings/records of verbal communications, and drafts (whether they resulted in final documents).

A handwritten signature in blue ink that reads "Chuck Grassley". The signature is written in a cursive, flowing style.

Charles E. Grassley
Ranking Member
Committee on the Budget