



OFFICIAL STATEMENT

Lance Brown, Executive Director
Partnership for Affordable Clean Energy (PACE)
July 29th, 2014
Atlanta, Georgia

Representatives of EPA, I am here today representing more than twenty partners across the Southeast. Many of these are involved in manufacturing and trade. Others in farming and agribusiness. Still others are small businesses making their way in a tough economy. Some are simply families who want to keep the lights on at an affordable price.

The common bond among all of the organizations that are part of our coalition is that each will be affected negatively by the new carbon dioxide regulation proposed by EPA. The rule will raise the price of electricity. The rule will make our nation's energy portfolio less diverse and, by definition, diminish the strong foundation of stability we have built. The rule will make the price of electricity more volatile by forcing utilities to use more natural gas. These are the things the rule will do, and we believe that a careful examination of the available data, as opposed to biased hope or belief, will lead reasonable thinkers to the same troubling conclusions.

There are things, however, that the rule will not do. Although EPA has sold its regulation of carbon dioxide to the American public as a climate change measure, the truth is that the agency's mandate of reducing CO₂ from the power sector by 30% by the year 2030 is about political posturing, not real climate results. The agency's chief, Gina McCarthy, even admitted this fact in testimony to the House of Representatives in September of 2013. When asked if EPA's regulation of carbon dioxide would cause any measurable change in the agency's 26 indicators of climate change, Administrator

McCarthy said they would not. Rather, she explained, a carbon rule only works if other nations adopt the same policies. She rationalized that the administration's carbon dioxide regulation "positions the U.S. for leadership." In short, this rule is only leverage.

This is not the message EPA has sent to the American public. If Americans truly realized that their government was trading affordable power prices and a strong and stable electricity portfolio only for political leverage, they would not support this rule. In fact, they would be angry, and disappointed, and wondering why the executive branch has made such a terrible bargain.

The U.S. Chamber of Commerce has estimated that this rule will raise the price of electricity as much as 40% and cost more than 200,000 jobs. Just as important, the rule will speed the closure of coal-fired power plants in the U.S., forcing another 114 gigawatts of generation off the grid. Philip Moeller of FERC puts it in the simplest possible terms: "If you take enough supply out of the system, the price is going to increase."

The agency's MATS rule is already taking sixty gigawatts of generation off the grid next year. Mr. Moeller says that these rapid shocks to our energy supply could cause brownouts or even blackouts. Meanwhile, the rest of the world will use U.S. coal to produce more than six additional tons of carbon for every one ton we reduce under this rule.

The bottom line is that the earth's temperature will not change because of this rule, but power bills will.

On behalf of our partners, we ask the EPA to abandon this irrational approach to addressing climate change and focus instead on more reasonable measures that deliver real results.