

January 13, 2014

The Honorable Ed Whitfield
Chairman
Subcommittee on Energy and Power
Committee on Energy and Commerce
U.S. House of Representatives
Washington, DC 20510

The Honorable Bobby L. Rush
Ranking Member
Subcommittee on Energy and Power
Committee on Energy and Commerce
U.S. House of Representatives
Washington, DC 20510

Dear Chairman Whitfield and Ranking Member Rush:

The undersigned organizations strongly support H.R. 3826, the “Electricity Security and Affordability Act.” H.R. 3826 would ensure that the Environmental Protection Agency’s (EPA) greenhouse gas (GHG) regulations are done in a reasonable manner that protects a true “all-of-the-above” energy strategy. The signatories to this letter applaud the cooperative nature in which the sponsors of the bill came together to support this bipartisan effort. H.R. 3826 is a balanced approach to addressing GHG emissions, placing reasonable parameters on EPA’s currently unworkable GHG regulations.

In its recently published proposed rule for new power plants, EPA mandates performance standards that would severely limit the types of new power plants available to supply the nation’s future electricity needs. For a coal plant to be built in the U.S., the Administration’s proposed regulation requires it to be equipped with carbon capture and sequestration (CCS) systems. While CCS is an emerging technology with great promise for future application in the power sector, it is not an adequately demonstrated, commercially available or cost effective one for a utility-scale power generation project. Mandating the inclusion of CCS effectively bans the construction of any coal-fired power plant going forward.

In parallel, the Administration is crafting regulations that could dramatically impact the future viability of the nation’s existing fleet of power plants. These are the power generators on which households and businesses currently depend for safe, reliable, and reasonably priced electricity. If the Administration pursues an overly aggressive path for the existing power plant rule as it has for the new power plant rule, energy prices will rise for consumers across the board, threatening the competitiveness of U.S. businesses and American jobs.

H.R. 3826 offers a sensible path forward for the Administration’s GHG regulations. For new power plants, the bill requires separate standards for coal and gas, with the coal standard subcategorized for coal types and aligned with the best-performing commercially available generation technologies. It provides a reasonable path forward for CCS, prohibiting EPA from mandating its use until the technology has been deployed by at least six units located at different commercial power plants in the United States —in other words, until it is truly ready. Finally, it allows EPA to craft rules or guidelines for existing power plants, but it requires Congress to review them and set a start date before they can take effect.

H.R. 3826 would give the regulated community certainty by preserving a true “all-of-the-above” energy policy. The undersigned organizations stand ready to work with the sponsors of this legislation to attract broad, bipartisan support and, ultimately, to enact it.

Sincerely,

American Chemistry Council
American Coalition for Clean Coal Electricity
American Farm Bureau Federation
American Forest & Paper Association
American Iron and Steel Institute
Association of American Railroads
Council of Industrial Boiler Owners
Electric Reliability Coordinating Council
Industrial Minerals Association – North America
International Liquid Terminals Association
National Association of Manufacturers
National Mining Association
National Oilseed Processors Association
National Rural Electric Cooperative Association
Portland Cement Association
The Fertilizer Institute
U.S. Chamber of Commerce