

U.S. House of Representatives Committee on Appropriations, Subcommittee on Interior, Environment, and Related Agencies

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Chairwoman McCollum, Ranking Member Joyce, and other members of the Subcommittee, thank you for the opportunity to testify today. My name is Mandy Warner and I am Senior Manager for Climate & Air Policy at Environmental Defense Fund. EDF is an international environmental advocacy organization with 2.5 million members nationwide. While there are numerous priorities for EDF within Interior & Environment Appropriations that are critical to our public health, my remarks today are specifically focused on the Environmental Protection Agency (EPA)'s proposal related to the Mercury and Air Toxics Standards for Power Plants (MATS).

MATS Study Language

EDF respectfully asks the Interior-Environment Subcommittee to include a provision to direct EPA to complete a report that fully assesses the proposal's impact on Americans.

Specifically, EPA should complete an analysis of the impacts of its proposal related to MATS including a comprehensive assessment of the proposal's potential public health, economic, and environmental consequences. That study must include an analysis¹ of the costs and benefits of the Administrator's proposed revised supplemental finding and of any rescission, invalidation or termination of MATS, as well as a study of the actual costs to the industry of compliance with MATS since implementation.

This analysis will better inform the public and Congress of the issues at stake in the MATS proposal. Remarkably, EPA has proposed to find control of power plant mercury and air toxics emissions is "not appropriate" without doing any such study – and despite a massive record showing the grave harms that these pollutants cause to society – including children and other vulnerable populations.

Background

In 2011, EPA finalized standards to reduce mercury and other toxic air pollution, including lead, chromium, arsenic, and soot from coal- and oil-fired power plants. Power plants were the single largest source of toxic mercury in the US, and emit over 80 hazardous air pollutants. These

¹ Consistent with the requirements of OMB Circular A-4.

pollutants are known to cause cancer, or birth or reproductive impacts, respiratory and cardiovascular impacts, impaired brain development in children, and other harms to human health. Leading up to the finalization, EPA assessed the benefits and costs associated with implementing its rule, finding up to 11,000 lives were saved every year, along with the avoidance of 130,000 asthma attacks among children and other health harms.² The analysis demonstrated that the benefits outweighed the costs of implementing the standards by a margin of 9-to-1. Subsequent to finalization and implementation of the rule, many studies have further quantified and monetized reductions of mercury, finding that the benefits are orders of magnitude higher than EPA estimated, and it is now also clear that EPA and industry *overestimated* the cost of compliance with the standards.³ The power sector is in compliance with MATS and has achieved an 86% reduction in mercury, an 81% reduction in other metals, and a 96% reduction in acid gases since 2010.⁴

Unfortunately, in 2018, EPA proposed to reverse the agency's prior foundational finding that MATS is "appropriate & necessary," which can potentially undermine these already-implemented, widely supported standards. EPA presented no scientific evidence to suggest it was not appropriate to regulate power plants' hazardous air pollution. EPA also declined to update its analysis of the costs and benefits of the rule, and instead inappropriately relied on the 2011 Regulatory Impact Analysis (RIA). Numerous public commenters noted the substantial peer-reviewed research documenting greater health effects of mercury and analysis quantifying and monetizing benefits of reducing mercury emissions that were not considered in EPA's 2018 proposal.⁵ This deficiency was noted by the Science Advisory Board in a draft report addressed to Administrator Wheeler dated October 16, 2019.⁶ For example, as EPA admitted at the time, the agency's 2011 RIA was only able to quantify and monetize a small subset of a subset of the impacts of methylmercury exposure; more recent studies have shown there is significant new analysis EPA could draw from to assess the full array of benefits from implementation of the standards. A comprehensive report from leading, independent economists released in December 2019 found that EPA's approach greatly underestimated the public health benefits associated

² National Emission Standards for Hazardous Air Pollutants From Coal and Oil-Fired Electric Utility Steam Generating Units and Standards of Performance for Fossil-Fuel-Fired Electric Utility, Industrial Commercial Institutional, and Small Industrial Commercial-Institutional Steam Generating Units, 77 Fed. Reg. 9304, at 9429 (Feb. 16, 2012).

³ See Comments of Environmental, Public Health, and Civil Rights Organizations, at 55-76 (Apr. 17, 2019), EPA-HQOAR-2018-0794-1191, <https://www.regulations.gov/document?D=EPA-HQ-OAR-2018-0794-1191>.

⁴ Proposed National Emissions Standards for Hazardous Air Pollutants: Coal- and Oil-Fired Electric Utility Steam Generating Units—Reconsideration of Supplemental Finding and Residual Risk and Technology Review, 84 Fed. Reg. 2670, at 2676 (Feb. 7, 2019).

⁵ Comments of Environmental, Public Health, and Civil Rights Organizations, at 55-76 (Apr. 17, 2019), EPA-HQOAR-2018-0794-1191, <https://www.regulations.gov/document?D=EPA-HQ-OAR-2018-0794-1191>.

⁶ Science Advisory Board (SAB), Draft Report, Consideration of the Scientific and Technical Basis of EPA's Proposed Mercury and Air Toxics Standards for Power Plants Residual Risk and Technology Review and Cost Review, October 16, 2019.

with reducing mercury emissions and that a new “retrospective and prospective benefit-cost analysis could better represent the impacts of the MATS rule.”⁷

The public health and environmental community is not alone in opposing EPA’s harmful and scientifically unsupported proposal. EPA’s proposal has been widely opposed, including by the power sector and labor leaders, who have asked EPA to leave the standards “in place and effective.”⁸ The House of Representatives has expressed bi-partisan opposition to the 2018 MATS proposal, with the House Interior-EPA funding bill for FY2020 including an amendment that would have blocked EPA from finalizing its proposal that could undermine the standards.

Thank you again for your consideration of our MATS study proposal and we look forward to working with the Committee to address this important matter.

⁷ External Environmental Economics Advisory Committee, Report on the Proposed Changes to the Federal Mercury and Air Toxics Standards, at 2 (Dec. 2019), <https://www.e-eeac.org/matsreport>.

⁸ Edison Electric Institute et al., letter (July 10, 2018) available at: http://blogs.edf.org/climate411/files/2018/08/JointTradesMATSLetter_Final.pdf