



Clean Power Plan and the Clean Energy Incentive Program

Outreach Presentation for Georgia EPD CPP Stakeholder Meeting January 7, 2016



Climate change is a threat in the US

EPA is taking three actions that will significantly reduce carbon pollution from the power sector, the largest source of carbon pollution in the US

- Clean Power Plan (CPP) existing power plants, also known as electric generating units (or EGUs) -- (Final)
- <u>Carbon Pollution Standards</u> new, modified and reconstructed power plants (Final)
- Federal Plan and Model Rules (FP/MR) proposal out for public comment.
 EPA would implement the federal plan in any state that does not submit an approvable CPP plan. Model rules provide an optional approach that states may choose to adopt.

EPA's actions

- Achieve significant pollution reductions
- Deliver an approach that gives states and utilities plenty of time to preserve ample, reliable and affordable power



Bringing Benefits of Clean Energy to Communities

- In addition to minimizing any burdens on low-income communities,
 EPA wants to help communities access the benefits of the clean energy economy (e.g., energy efficiency and renewable energy).
- Administration-wide effort via a new White House Task Force
 - Highlight existing federal resources and opportunities
 - Explore new opportunities
 - Identify private commitments to support this work
- EPA is leading multiple efforts
 - Working with states on implementation
 - Outreach to community and environmental justice organizations
 - Clean Energy Incentive Program (CEIP)
 - Products: catalog of case studies of successful state/local programs; webinars on successful state/local programs; resource guide of relevant EPA programs



Benefits of, and barriers to, energy efficiency and renewable energy for communities

- EE/RE adoption can support multiple benefits for low-income communities
 - Economic: reducing or stabilizing household energy bills; create local, high-quality jobs
 - Health and Safety: improve indoor air quality; improve comfort levels; reduce carbon monoxide and fire risks from space heaters, ovens, and other heating substitutes
 - Environmental Benefits: reduce greenhouse gas emissions; reduce smog, acid rain, and airborne particles
- Low-income households face specific barriers in adopting EE/RE
 - Competing priorities for available income
 - Up-front costs for EE/RE measures
 - Lack of credit or access to financing
 - Lack of information on resources
 - Tenant-landlord dynamics (who pays bills vs. who owns units)
 - Administrative hurdles
 - Others



Incentives for Early Action and the Clean Energy Incentive Program – in the CPP and the Proposed Federal Plan

- The final CPP includes a Clean Energy Incentive Program (CEIP) to provide additional incentives for early investments that generate wind and solar power or reduce end-use energy demand during 2020 and/or 2021.
- The CEIP is an optional, "matching fund" program that states may choose to use to incentivize:
 - Wind or solar power generation in <u>all</u> communities, and
 - Energy efficiency measures in <u>low-income</u> communities
- All EE/RE that achieves energy savings or clean generation helps states meet their CPP goals for affected EGUs.
- States that want to participate in the CEIP must indicate that to EPA in their September 6, 2016 Clean Power Plan submittal (non-binding).
- EPA is also proposing to implement the CEIP for federal plan states.



How Does the CEIP Work?

- A state that chooses to participate in the CEIP may award early action credits (either allowances or ERCs) to qualifying CEIP projects
- The state must then request that EPA provide matching credits, which are issued to the state for distribution to the project provider
- EPA will match these awards up to a limit equal to 300 M tons of CO₂
 - A portion of the matching tons will be reserved for wind and solar projects, and a portion will be reserved for lowincome EE projects
 - EPA match will be double for low-income EE projects



How Can Communities Benefit from the CEIP?

- All communities can benefit from solar and wind projects incentivized by the CEIP
 - Potential for local jobs in the marketplace
 - Potential for reduced energy bills
 - Less air pollution
- In addition, low-income communities can also see these benefits from energy-efficiency projects
- Another advantage is that the CEIP promotes realization of these benefits earlier than would be required under the final Clean Power Plan- up to two years earlier
- In addition, the RE set-aside in a mass-based federal plan, or an ERC-issuance program in a rate-based federal plan, would provide incentives similar to the CEIP during the performance periods starting in 2022



How to Comment on the Proposed Federal Plan and Model Rules

- Go to <u>www.regulations.gov</u> and follow the on-line instructions for submitting comments.
- Send comments by e-mail to <u>a-and-r-Docket@epa.gov</u>.
- Fax your comments to: (202) 566-9744.
- Mail your comments to:

EPA Docket Center,

Environmental Protection Agency, Mail Code: 28221T

1200 Pennsylvania Ave., NW

Washington, DC 20460

- CEIP: Non-Regulatory Docket
 - Docket ID Number EPA-HQ-OAR-2015-0734 (to view comments)
 - Docket Closed on December 15, 2015.
 - http://www2.epa.gov/cleanpowerplan/clean-energy-incentive-program
- CEIP and the Proposed Federal Plan and Model Trading Rules:
 - Docket ID Number EPA-HQ-OAR-2015-0199
 - Deadline: January 21, 2016

Be sure to reference the appropriate docket number or numbers.



We welcome your feedback and questions!

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We welcome your feedback and questions!

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Information and Resources

- For more information and to access a copy of the rule, visit the Clean Power Plan website: http://www2.epa.gov/cleanpowerplan/clean-power-plan-existing-power-plants
- Through graphics and interactive maps, the Story Map presents key information about the final Clean Power Plan. See: http://www2.epa.gov/cleanpowerplan
- For community-specific information and engagement opportunities, see the **Clean Power Plan Community Page**: http://www2.epa.gov/cleanpowerplan/clean-power-plan-community-page
- For more information on the Clean Energy Incentive Program, see the CEIP page: http://www2.epa.gov/cleanpowerplan/clean-energy-incentive-program
- For a graphical and detailed walk through of the EGU category-specific CO₂ emission performance rate and state goals, see State Goal Visualizer: http://www2.epa.gov/cleanpowerplantoolbox
- EPA provides webinars and training on CPP related topics at the air pollution control learning website.
 See: http://www.apti-learn.net/lms/cpp/plan/
- Federal programs and activities to support renewable energy and energy efficiency in low- and moderate-income communities: https://www.whitehouse.gov/sites/default/files/low-income and energy efficiency programs.pdf
- Federal initiative to increase solar access for all Americans:
 https://www.whitehouse.gov/the-press-office/2015/07/07/fact-sheet-administration-announces-new-initiative-increase-solar-access