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“New Source Performance Standards for Greenhouse Gas Emissions from New, Modified, and Reconstructed Fossil Fuel-Fired Electric Generating Units; Emission Guidelines for Greenhouse Gas Emissions from Existing Fossil Fuel-Fired Electric Generating Units; and Repeal of the Affordable Clean Energy Rule”

Docket ID No. EPA-HQ-OAR-2023-0072¹

Introduction and Summary of Comments

Business Roundtable is pleased to present comments on the Environmental Protection Agency’s (EPA) most recent proposed rule to limit greenhouse gas (GHG) emissions from fossil fuel fired electric generating units (EGUs).

Business Roundtable is an association of more than 200 chief executive officers (CEOs) of America’s leading companies, representing every sector of the U.S. economy. Business Roundtable CEOs lead U.S.-based companies that support one in four American jobs and almost a quarter of U.S. GDP. Through CEO-led policy committees, Business Roundtable members develop and advocate directly for policies to promote a thriving U.S. economy and expanded opportunity for all Americans.

Business Roundtable recognizes that human activities are contributing to climate change and that climate change poses significant environmental, economic, public health and security threats around the world, including to the United States. We also believe companies should lead by example to reduce GHG emissions where possible and help mitigate the risks associated with a changing climate.²

Most Business Roundtable members have announced goals to be carbon neutral by 2050 or even before, including all those in the power sector that would be directly affected by this regulation. These commitments rely on significant grid decarbonization efforts. Business Roundtable shares EPA’s goal to reduce GHG emissions from the power sector as rapidly as it is feasible to do so while continuing to ensure reliable, affordable, and resilient supplies of electricity to power our economy.

As EPA notes in the preamble, the power sector is the second largest emitter of GHGs in the United States. It is also the sector that has reduced GHG emissions the most since 2005.³ The

¹ 88 Fed. Reg. 33240 (May 23, 2023).

² See Business Roundtable, *Addressing Climate Change: Principles and Policies* (Sept. 2020), available at: [Business-RoundtableAddressingClimateChangeReport.September2020.pdf](https://www.brt.org/AddressingClimateChangeReport.September2020.pdf).

³ See 88 Fed. Reg. 33260: “CO₂ emissions from the power sector have declined by 36 percent since 2005 (when the power sector reached annual emissions of 2,400 MMT CO₂, its historical peak to date). The reduction in CO₂ emissions can be attributed to the power sector’s ongoing trends away from carbon-intensive coal-fired generation and toward more natural gas-fired and renewable sources.”

power sector plans to rapidly reduce GHG emissions even further, accelerated by provisions in the Inflation Reduction Act of 2022, favorable economics, state policy choices and other factors. The pace of the transition to lower GHG emitting resources has been constrained by many factors, including grid reliability concerns, transmission expansion challenges, generator interconnection study delays, insufficient technology development, inflation, lack of skilled labor availability, and other factors outside the control of the power sector.

Having affordable, reliable, resilient, and secure electricity sources is the foundation of the modern economy, and the importance of the electric sector will only grow as demand for clean electricity increases across major U.S. economic sectors, including buildings, transportation, and industry. In its current form, the proposed rule fails to provide adequate flexibility to address reliability and other concerns that may arise if the pace of technology development and deployment at scale is slower than anticipated by EPA. This concern is particularly urgent given the additional impacts of multiple recently proposed or final EPA regulations affecting the power sector,⁴ which will cause many large-scale dispatchable generation resources to be retired. We urge EPA to build additional flexibility into its final rule, to mitigate the risk of the rule adding to these reliability issues (a concern other organizations also have expressed).⁵

The Proposed Rule's Extremely Ambitious Compliance Schedule Is Based on Optimistic Assumptions Regarding the Timing and Scale of Carbon Capture and Storage (CCS) and Clean Hydrogen Development and Deployment

The power sector is undergoing a fundamental transition to a low-carbon future. At the same time, electricity demand is anticipated to grow as more of the transportation fleet, building stock and industrial facilities are electrified. In fact, most experts agree that economy-wide electrification will be a key enabler of decarbonization goals⁶ and it is a key component of many BRT members' GHG reduction plans.

Building the grid we need to meet this reality is more complicated than just adding cleaner sources of power to the system while retiring existing fossil fuel fired generators. Building significant new transmission, and upgrading existing transmission lines, is critical to building a more resilient, reliable, and clean grid we will need going forward. While renewables and other

⁴ EPA, "National Emissions Standards for Hazardous Air Pollutants: Coal-and-Oil Fired Electric Generating Units," 88 Fed. Reg. 24854 (April 24, 2023); "Supplemental Effluent Limitations Guidelines and Standards for Steam Electric Power Generating Point Source Category," 88 Fed. Reg. 18824 (March 29, 2023); "Reconsideration of the National Ambient Air Quality Standards for Particulate Matter," 88 Fed. Reg. 5558 (January 27, 2023); "Federal 'Good Neighbor Plan' for the 2015 Ozone National Ambient Air Quality Standards," 88 Fed. Reg. 36654 (June 5, 2023); and "Hazardous and Solid Waste Management System: Disposal of Coal Combustion Residuals From Electric Utilities; Legacy CCR Surface Impoundments," 88 Fed. Reg. 31982 (May 18, 2023).

⁵ See, e.g., Testimony of James B. Robb, President and Chief Executive Officer, North American Electric Reliability Corporation, *infra* note 19, and Testimony of Manu Asthana, President and CEO, PJM Interconnection, *infra* note 21.

⁶ See, e.g., Princeton University, *Net Zero America: Potential Pathways, Infrastructure and Impacts, Final Report* (October 29, 2021), available at: [Princeton NZA FINAL REPORT \(29Oct2021\).pdf](#) and Electric Power Research Institute (EPRI), *LCRI Net-Zero 2050: U.S. Economy-Wide Deep Carbonization Scenario Analysis* (December 2022), available at: [3002024993 LCRI Net Zero 2050 U S Economy Wide Deep Decarbonization Scenario Analysis.pdf](#).

zero emitting resources and battery storage will continue to grow rapidly as electric grid resources, constraints on how rapid this growth can be are already becoming apparent.⁷

For example, timely interconnection approvals for new resources are proving to be challenging, particularly for renewables resources, which constitute the bulk of interconnection requests. The length of new generation interconnection queues continues to increase: the time from entering the queue to commercial operation now takes an average of five years, with a high completion failure rate.⁸ Most of these proposed projects use mature solar and onshore wind technologies with well-established supply chains and permitting pathways.

While we are encouraged by and supportive of the Federal Energy Regulatory Commission's (FERC) recently adopted regulations to reform and shorten the interconnection process for new resources, there is no assurance these initiatives will materially shorten what is widely agreed to be a key impediment to expeditiously bringing more clean energy onto the electric grid in the face of increasing demand for interconnection and the need for more transmission capacity. Moreover, we are still waiting for FERC orders that will address transmission planning and cost allocation. While we are hopeful Congress will prioritize transmission permitting and supply chain challenges facing transmission and new generation resources, there is no assurance these important issues will be addressed in a timely manner. The challenges related to adding renewables to the grid illustrate how difficult and time consuming it is to get any generation resources into service today, let alone how difficult it will be to plan, permit and build less mature carbon capture and storage (CCS) or hydrogen resources required by EPA's proposal on new fossil fuel-fired stationary combustion turbines that will be needed for reliability.

The Agency's projected CCS and hydrogen pathways both assume the technologies will be available at scale, at the modeled cost, and within the periods envisioned by the proposed rule. While we appreciate the attention EPA has given to spacing and technology development issues in its proposed rule, both the CCS and hydrogen pathways assume the building out of a vast network of new infrastructure, much of which is outside of the power sector's ability to control, in a smooth, predictable fashion. However, recent experience with energy supply chain disruptions and permitting challenges urges skepticism regarding these assumptions, particularly given the new technologies, the associated supply chains, and infrastructure that will be required to be developed, permitted, and deployed at scale under this rule.

⁷ For example, several offshore wind projects have announced delays and unanticipated cost increases associated with supply chain disruptions. The Department of Energy's National Renewable Energy Laboratory (NREL) has identified substantial supply chain, legal, permitting, and other risks to the offshore wind industry that threaten to hinder the rapid development that will be needed to meet climate goals. Department of Energy, National Renewable Energy Laboratory (NREL), *A Supply Chain Road Map for Offshore Wind in the United States* (January 2023), available at: [A Supply Chain Road Map for Offshore Wind Energy in the United States \(nrel.gov\)](https://www.nrel.gov/docs/2023/01/a-supply-chain-road-map-for-offshore-wind-energy-in-the-united-states-nrel.gov).

⁸ Berkeley Lab, Lawrence Berkeley National Laboratory, *Queued Up: Characteristics of Power Plants Seeking Transmission Interconnection As of the End of 2022* (April 2023), available at: [PowerPoint Presentation \(lbl.gov\)](https://www.lbl.gov/publications/queued-up-characteristics-of-power-plants-seeking-transmission-interconnection-as-of-the-end-of-2022). Key findings include: "over 10,000 projects representing 1,350 gigawatts (GW) of generator capacity and 680 GW of storage actively seeking interconnection; most (~1260 GW) proposed generation is zero-carbon; only ~21% of projects (14% of capacity) requesting interconnection from 2000-2017 reached commercial operations by the end of 2022; completion rates are even lower for wind (20%) and solar (14%); the average time projects spent in queues before being built has increased markedly. The typical project built in 2022 took 5 years from the interconnection request to commercial operations." *Id.* at 3.

Thermal power generation will continue to be needed to ensure reliability, even as renewable resources and battery storage come online.⁹ While both CCS and hydrogen are promising decarbonization options that should be pursued for both industrial and electric grid applications, it is not reasonable to assume that CCS, or clean hydrogen, can be deployed at the scale the proposed rule would mandate or within the compliance timelines required.

With respect to CCS, EPA identifies the proximity of *potential* CCS sequestration geological formations¹⁰ but virtually none have received the type of investigation and engineering studies required to determine suitability. Class VI permitting uncertainty, land utilization and pore space acquisition challenges will make siting these facilities and the pipelines needed to access them difficult in many regions of the country.¹¹ In addition to these geological issues and permitting challenges, CCS is a key emissions reduction pathway for emissions-intensive manufacturing industries, such as cement and steel, that are difficult to decarbonize. As a result, demand for CCS development is likely to result in supply chain delays as potential demand overwhelms supply during the required compliance deadline.

Clean hydrogen is a promising option, but it is only now starting to be developed and has not yet been proven to be commercially deployable at the scale and by the time periods proposed. Clean hydrogen production will depend on the construction and commissioning of large scale electrolyzers and new “clean” power to run them if GHG emissions are to be reduced. Currently, global, much less U.S., electrolyzer capacity for clean hydrogen production is insufficient to meet utility scale demand. Moreover, substantial additional renewable energy must be built and either connected to the grid or used directly to power electrolyzers to generate the volumes of hydrogen anticipated by this rule. A recent study from the Electric Power Research Institute (EPRI) concluded that under some modeled deep decarbonization scenarios, clean energy equal to today’s total U.S. generation would have to be added to support hydrogen production from electrolysis.¹² Obviously, not all the hydrogen generated in these EPRI scenarios would be used by the power sector, but this conclusion does illustrate the scale and complexity of the transformation required and the need to coordinate and synchronize disparate decarbonization strategies.

⁹ While wind and solar capacity have grown rapidly as part of the overall generation mix, the North American Electric Reliability Corporation (NERC) has noted they often do not provide the same contribution to capacity at the peak demand hour as their installed capacity. Over the past 10 years, “wind capacity has grown from 55.8GW to 148.5GW, and solar PV has risen from just under 3.1 GW to over 56.3GW in the 10-year period. However, wind and solar PV resources contribution to meeting demand on-peak has changed modestly, rising from 2% to 7% of on-peak capacity during the 10-year period.” North American Electric Reliability Corporation (NERC), *2023 State of Reliability Technical Assessment* (June 2023), p. 33, available at:

https://www.nerc.com/pa/RAPA/PA/Performance%20Analysis%20DL/NERC_SOR_2023_Technical_Assessment.pdf.

¹⁰ 88 Fed. Reg. 33347.

¹¹ Wood Mackenzie, *Assessing the Challenges Ahead for Carbon Capture in the U.S.* (February 17, 2023), available at: [Assessing the challenges ahead for carbon capture in the US | Wood Mackenzie](#).

¹² EPRI, *supra* note 6, at 39.

In fact, EPA states that Department of Energy's (DOE) hydrogen production goals of 10 MMT by 2030 and 20 MMT by 2040 described in *Pathways to Commercial Liftoff: Clean Hydrogen*¹³ will not be enough to meet the proposed standards.¹⁴ To put these numbers into context, DOE has estimated using new renewables to produce 10 MMT of hydrogen would require 200 GW of newly constructed, mostly solar and wind generation capacity—roughly equivalent to the *total* wind and solar generation currently operating in the United States.¹⁵

The Rhodium Group in a recent study found that while the Inflation Reduction Act addressed some of the cost issues associated with low-carbon sources of energy, “challenges remain...especially a massive build-out of new infrastructure. In the power sector, for example, the United States needs to add 32- 92 gigawatts (GW) of wind and solar on average every year from now until 2035 to achieve [the U.S. climate commitments]. For comparison, adding 32 GW of renewables is roughly equivalent to the best year of renewable installations on record, and adding 92 GW is triple the best year on record. This level of deployment faces headwinds in nearly every direction, meaning more work is likely needed to address supply chain constraints, transmission, interconnection, and siting issues, and a growing need for a qualified workforce—to name a few hurdles.”¹⁶

Aside from the feasibility of scaling both renewables generation and electrolyzer capacity at the pace required by these rules, DOE has identified many other, higher value uses for clean hydrogen from sectors that are difficult to decarbonize, particularly in the early years of this proposed rule.¹⁷ The concern over availability of sufficient supplies of clean hydrogen and hydrogen's higher value for other applications has also been identified in the research done by EPRI¹⁸ regarding economy-wide, deep decarbonization scenarios. In sum, there is likely to be keen competition for available clean hydrogen in the period targeted for compliance with this rule, particularly from higher value uses in more difficult to decarbonize sectors.

In addition to concerns over the availability of enough clean hydrogen during the initial stages of the proposed rule's compliance period, site-specific limitations like site size, geology, and other constraints are likely to make siting either CCS or hydrogen infrastructure at many existing natural gas generating facilities particularly challenging. Existing natural gas infrastructure cannot be used to transport more than a small percentage of hydrogen blended with natural gas, and many existing natural gas pipelines are already fully subscribed and would not have the

¹³ Department of Energy, *Pathways to Commercial Liftoff: Clean Hydrogen* (March 2023), available at: [20230523-Pathways-to-Commercial-Liftoff-Clean-Hydrogen.pdf](#).

¹⁴ 88 Fed. Reg. 33309, “The EPA's hydrogen co-firing BSER proposal, if finalized, would create a significant additional demand driver for electrolytic hydrogen not considered in the DOE's hydrogen production goals of 10 MMT by 2030 and 20 MMT by 2040”.

¹⁵ Department of Energy, *Pathways to Commercial Liftoff*, *supra* note 13 at 1. Current wind and solar capacity, U.S. Energy Administration, *Electric Power Monthly*, (June 2023), Table 6.1, available at: [Electric Power Monthly \(eia.gov\)](#).

¹⁶ Rhodium Group, *Taking Stock 2023- U.S. Emissions Projections after the Inflation Reduction Act* (July 20, 2023), p. 4, available at: [Taking-Stock-2023_Rhodium-Group.pdf \(rhg.com\)](#)

¹⁷ Department of Energy, *Pathways to Liftoff*, *supra* note 13, and U.S. National Clean Hydrogen Strategy and Roadmap (June 2023), available at: [national-clean-hydrogen-strategy.pdf](#).

¹⁸ EPRI, *supra* note 6.

capacity available. To transport pure hydrogen would require building new, dedicated hydrogen pipelines and the necessary storage capability. This massive new hydrogen infrastructure buildout is not adequately considered in EPA's assessment of the impact of this proposed rule. If power plant owners need to avoid this expensive buildout due to the cost to consumers, more premature retirements or generator de-rating to drop below the 50% capacity threshold applicable in the proposed rule will occur, with attendant risks to reliability and long-term GHG reduction goals.

The litany of challenges described above does not mean that they cannot be overcome, or that we should admit defeat. We believe many of the challenges can be mitigated with additional time to adopt new technologies, as well as policy reform with respect to permitting and judicial review. With additional reform and sustained, persistent effort by local, state, and federal officials to make processes work more predictably and expeditiously, progress can be made. However, it is unrealistic to assume this progress will be instantaneous or even on the same timeline proposed in this rule.

The Already Stressed Electric Grid Is Experiencing Increased Reliability Concerns. The Proposed Rule's Pace and Timing for Compliance Will Unnecessarily Create Additional Challenges

The electric grid today is experiencing increased stress because of several factors, including increased demand, severe weather events, the need to accommodate increasing amounts of renewable resources often located far from load centers, aging infrastructure, and fossil fuel and nuclear energy generating facility retirements.

James B. Robb, President and Chief Executive Officer, North American Electric Reliability Corporation (NERC), recently testified about the increasing risks to the reliability and resiliency of electric service in the U.S attributable to the "rapid, often disorderly transformation of the generation resources base" and "performance issues associated with replacement resources as conventional units retire."¹⁹ In large part, these performance issues relate to the nature of the intermittent resources that are being added to the grid while dispatchable resources are being retired. Robb further added that "NERC believes that the energy transformation can be navigated in a reliable way [but]... reliability must be anchored as our north star guiding the journey, with flexibility for course corrections that are surely needed for such a highly complex endeavor."²⁰ Business Roundtable agrees.

Reliability concerns regarding the pace of the transition have been echoed by others, including Manu Asthana, President and CEO, PJM Interconnection, who noted that while PJM has sufficient generation to meet the needs of its system today, "[i]f [current] trends continue, our models show increased risk of having insufficient resources later in this decade to maintain the reliable electric service that consumers expect."²¹ As Mr. Asthana further noted, "[t]his is not a

¹⁹ Statement of James B. Robb, President and Chief Executive Officer, North American Electric Reliability Corporation before the Committee on Energy and Natural Resources, United States Senate (June 1, 2023) available at: [D47C2B83-A0A7-4E0B-ABF2-9574D9990C11 \(senate.gov\)](https://www.senate.gov/imo/media/doc/statement/44772).

²⁰ *Id.*

²¹ Testimony of Manu Asthana, President and CEO, PJM Interconnection before the Committee on Energy and Natural Resources, United States Senate (June 1, 2023), available at: [2098C524-7B71-4D39-BFF1-295E6E75BDB7 \(senate.gov\)](https://www.senate.gov/imo/media/doc/testimony/44772).

concern unique to the PJM grid. Indeed, as the NERC recent summer assessment shows, roughly two-thirds of the U.S. (but not the PJM region) already faces increased resource adequacy risk this summer.”²²

Reliability concerns are primarily driven by the fact that dispatchable baseload and intermediate load EGUs are retiring or are scheduled to retire before adequate resources, particularly dispatchable resources, can be put into service. These retirements could accelerate because of the long list of rules affecting the power sector that EPA has proposed or finalized this year.²³

We understand the urgency of reducing GHG and other emissions and support doing so as rapidly as possible. But we are gravely concerned that EPA has not adequately considered how its various rulemakings will interact to affect retirements of dispatchable resources, and thus electric reliability – particularly if EPA’s modeled pathways for technology development and deployment do not occur on the aggressive schedule EPA forecasts.

EPA’s Proposed System Emergency Relief Valve is Inadequate to Ensure Grid Reliability

Business Roundtable agrees with EPA that “it is imperative that emission guidelines for these sources not impair the reliability of the bulk power system,”²⁴ and we are encouraged by EPA’s statement that “[p]reserving the ability of power companies and grid operators to maintain system reliability has been a paramount consideration in the development of these proposed actions.”²⁵ Finally, we appreciate that EPA has specifically sought comment on reliability issues growing out of this proposal.²⁶ Nonetheless, we are concerned that the proposed rule provides no clear path for a course correction to help ensure continued bulk power system reliability.

Decarbonization of our economy depends on greater electrification and adequate supplies of clean, affordable, and reliable power. Without a robust and dependable electric grid that provides power at an affordable price, many of the Administration’s sector-specific and economy-wide decarbonization goals cannot be achieved. The growing importance of the electric grid as a key enabling technology for decarbonization highlights the importance of EPA coordinating its work closely with DOE, FERC, grid operators, and other stakeholders to ensure that, if its assumptions regarding the pace of technology development and deployment prove overly optimistic, this rule provides opportunities to change course before reliability is compromised. As NERC’s CEO Robb testified, “[t]he challenge is not whether we have the resources and technical ability to achieve a clean energy future. Rather, the central challenge is calibrating the pace of change with reliability needs of a transforming system that must remain reliable and resilient at all times and under all conditions. As it exists today, this balance is out of calibration and must be corrected.”²⁷

As regards existing generation resources, the proposed rule gives covered EGUs a choice of either complying with the emissions standards by a specific deadline, retiring, or working

²² *Id.*, citing North American Electric Reliability Corporation, *2023 Summer Reliability Assessment* (May 2023), available at: [Report \(nerc.com\)](https://www.nerc.com/Reports/2023-Summer-Reliability-Assessment). See also MISO, *MISO’s Response to the Reliability Imperative* (January 2023) at 11, available at: [MISO’S Response to the reliability imperative \(misoenergy.org\)](https://www.misoenergy.org/Response-to-the-Reliability-Imperative).

²³ See *supra* note 4.

²⁴ 88 Fed. Reg. 33361.

²⁵ *Id.* at 33415.

²⁶ *Id.* at 33247.

²⁷ Robb Testimony, *supra* note 19.

through a developed state plan that may allow for an affected facility to justify a lesser standard or deadline. However, these limited options could well compromise electric system reliability.²⁸ The electric grid must be in balance every second of every day and operate at the right frequency to ensure uninterrupted and reliable supplies of electricity. This balance needs to be planned years in advance, with the right resource mix, transmission capacity, reserve margins, and contingency plans addressing unpredictable events like weather and generation unavailability. EPA is proposing to address grid reliability by (i) assuming that planning authorities will accommodate the retirements and de-rating of units occasioned by this proposed rule (and others) and that new generation will materialize when required, and (ii) allowing deviations from the standards only when a system emergency has been declared,²⁹ which is the point when failure is imminent unless emergency action is taken. Addressing reliability by assuming planning authorities will be able to accommodate regulation-mandated retirements and that new generation will materialize when required, or through system emergency waivers when it does not, is not a workable way to plan for or ensure grid reliability. Instead, grid reliability needs to be a primary concern that is planned for and built into the system at the outset so that adequate transmission and generation resources are available when needed.

While state plan submittals for existing EGUs may be able to address some of the issues driving reliability concerns, there is significant uncertainty whether these submittals would appropriately include unit-specific alternatives based on remaining useful life and other factors that could partially address reliability concerns – or whether EPA would approve these plans if they did. Many state agencies have limited resources and lack the experience to develop specific programs that can address what are often regional reliability issues. For example, transmission constraints within an operating area often limit transfer capability within a planning region, thus requiring generation resources to be located within a particular area or transmission upgrades, both of which require many years of lead time. State-by-state CAA 111(d) plan submittals will need to recognize multistate regional reliability concerns, including transfer capability limitations. It will be difficult to ensure this coordination among multiple state plans within a region. Moreover, the time EPA gives for state plan submittals is insufficient to provide for meaningful stakeholder engagement to explore these issues.

We urge EPA to consider providing training and other resources, including financial assistance, to support development and implementation of Section 111(d) state plans. Such assistance could include model regulatory language or having EPA regional offices assist with the stakeholder outreach needed to meet the “meaningful engagement” requirements. In addition, we suggest providing at least 36 months for state plans to be developed.

The proposed rule states that “EPA has included in these proposals the flexibility that power companies and grid operators need to plan for achieving feasible and necessary reductions of

²⁸ Under EPA’s proposal, EGUs could elect to derate to avoid triggering unachievable emissions limits, which may have their own negative impact on stable grid operation and long-term GHG emissions.

²⁹ See 88 Fed. Reg. 33333: “The current text is any abnormal system condition that the RTO, Independent System Operators (ISO) or control area Administrator determines requires immediate automatic or manual action to prevent or limit loss of transmission facilities or generators that could adversely affect the reliability of the power system and therefore call for maximum generation resources to operate in the affected area, or for the specific affected EGU to operate to avert loss of load.”

GHGs from these sources consistent with the EPA's statutory charge while ensuring grid reliability.”³⁰ Business Roundtable appreciates EPA’s statement, but we respectfully submit that the proposal does not, in fact, provide adequate flexibility to avoid potential reliability issues if EPA’s projections prove to be overly optimistic regarding the pace of technology and infrastructure development.

Conclusion

The proposed rule establishes an aggressive timeline for the widespread commercial deployment of CCS and clean hydrogen technologies. While these are promising technologies for decarbonizing both industry and the bulk power system, neither have been commercially deployed at scale and both are being viewed as key emissions reduction pathways for heavy industry as well as the electric grid. EPA’s economic models regarding price and availability are not based on substantial evidence or experience in this rapidly changing environment where supply chain disruptions, substantial price increases, and infrastructure permitting challenges are significant risks. If EPA’s projections prove overly optimistic regarding the pace of technology development and the ability to deploy these innovative technologies widely at scale, the proposed rule provides no clear path for a course correction to help ensure continued bulk power system reliability.

The proposed rule also fails to adequately consider the effect that other recent final or proposed EPA rules targeting the power sector will have on retirements of dispatchable generation resources. Harmonizing the compliance dates and retirement options among all rulemakings would provide more certainty for developing compliance strategies that minimize impacts to customer costs, maintain reliability, and provide for a more balanced transformation from fossil to other generation technology.

We urge EPA to build greater flexibility into its final rule to accommodate these concerns by providing the opportunity for course corrections, particularly with respect to existing EGUs.

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³⁰ 88 Fed. Reg. 33247.