

**Statement of Paul Bailey
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**In Support of EPA's Proposed Revisions to the
New Source Performance Standards
for New, Modified and Reconstructed Coal-Fired Electric Generating
Units
Washington DC
February 14, 2019**

Good afternoon. My name is Paul Bailey, and I am the Chief Policy Officer for the American Coalition for Clean Coal Electricity (ACCCE). The mission of ACCCE is to advocate for the nation's fleet of coal-fired power plants. Our members include electricity generators, coal producers, railroads, barge lines, and equipment manufacturers.

We support EPA's proposal to revise the 2015 New Source Performance Standards (NSPS), which necessitate to use of partial carbon capture and storage (CCS). However, we are still reviewing certain details of the proposal, and our review will be reflected in comments we will file later.

My statement today will highlight a few points related to the proposed NSPS.

To begin with, we support EPA's proposed determination that the best system of emission reduction (BSER) is supercritical steam cycle conditions, not partial CCS. From a legal standpoint, BSER must be based on emission reduction technologies that can be implemented at the facility and that are determined to be adequately demonstrated. Based on these legal criteria, it is necessary for EPA to revise the 2015 BSER determination for coal-fired EGUs. Although CCS is a promising technology, it has not yet been demonstrated for reliable full-scale operation at coal-fired EGUs. Moreover, there is a limited geographic opportunity for CCS due to the lack of geological storage sites in parts of the country and inadequate pipeline system for transporting captured CO₂ emissions. Last, CCS

technologies are too expensive and not viable without substantial subsidies.

The NSPS EPA has proposed, particularly the 1,900 lbs. CO₂/MWh standard for large coal-fired EGUs, are consistent with analysis that we did when EPA developed the 2015 NSPS. Also, we support EPA's proposal that BSER for modified EGUs is the best demonstrated performance achieved by a modified unit based on the unit's best historical annual CO₂ emissions from 2002 to present.

From a policy standpoint, we believe a healthy coal fleet is essential because it —

- Helps assure the grid is both reliable and resilient,
- Provides fuel security,
- Serves as an insurance policy during critical times,
- Produces affordable electricity,
- Contributes to fuel diversity, and
- Supports national security.

Despite these attributes, some forty percent of the existing coal fleet has retired or announced plans to retire. At the same time, the grid is becoming increasingly reliant on natural gas and renewables. Over the past 13 years, more than 160,000 MW of gas-fired generation, wind and solar have been added to the grid.

For this and many other reasons, there is growing concern about the resilience of the nation's electricity grid, which is expected to produce and deliver electricity 24/7. Resilience means the ability of the grid to withstand and recover quickly from unusual disturbances, such as extreme weather, cyber threats and physical threats, that can have severe consequences. While there are no criteria yet for assessing resilience, there seems to be general consensus that fuel security is important for resilience. Coal-fired generation is one of the nation's two most fuel-secure electricity sources; nuclear is the other. The average coal-fired power plant maintains enough coal onsite to operate for two months or more in the extremely unlikely event that fuel deliveries were interrupted.

Despite concerns about resilience and the importance of fuel security, the grid is becoming less fuel secure. In 2000, fuel-secure sources comprised some 70% of the nation's electricity supply. By 2020, this picture will be reversed when fuel-insecure sources will represent some 70% of the nation's supply. There are many reasons for this trend, including subsidies and mandates for renewables. Another reason is the attributes of the coal fleet, especially fuel security, are not being fully valued.

None of us can predict the future. In talking about new coal-fired generating capacity, EPA's RIA says that the future could change "as a result of changes in wholesale electricity markets, federal policy intervention, including mechanisms to incorporate value for onsite fuel storage, or substantial shifts in energy prices. Imposing NSPS based on partial CCS would be a major barrier to deployment of new coal-fired EGUs."

We agree.

Thus, it makes sense that the NSPS should not eliminate the option to add new coal-fired generation in the future, if circumstances change. Reasonable NSPS make it possible to replace retiring coal with new coal if new coal is needed in the future for fuel diversity, reliability, resilience and fuel security.

Thank you for the opportunity to speak today in support of EPA's proposed NSPS.

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