



ARKANSAS
Department of Environmental Quality

Press Conference: Clean Power Plan

Aug. 17, 2015

ADEQ protects, enhances and restores the environment for the well-being of all Arkansans

Clean Power Plan Final Rule

Under the U.S. Environmental Protection Agency’s Clean Power Plan final rule signed Aug. 3, Arkansas is required to develop a plan to reduce carbon dioxide emissions at 19 power plants in the state.

EPA’s final Clean Power Plan requires states to consider reliability when developing state plans and provides a reliability safety valve to address unforeseen emergencies.

ADEQ and the Arkansas Public Service Commission will hold a stakeholder meeting Oct. 9 to further discuss the plan.

Arkansas Final Emissions Goal Less Stringent Than Proposed

The final rule has relaxed emission standards for Arkansas. Under the

proposed rule, Arkansas would have been required to reduce its carbon emissions from affected EGUs by 44 percent; the final rule changes this requirement to 36 percent.

EPA calculated the interim and final goals for states using a “Best System of Emissions Reductions” based on the combination of three building blocks:

- Improved efficiency at coal-fired EGUs
- Shifting generation from coal-fired to natural gas-fired EGUs
- Shifting generation to zero-emitting renewables

Comparison of Proposed and Final Emission Goals

Goal	Proposed	Final
Interim Period (2022-2029)	968 lb/MWh	1304 lb/MWh
Final Goal (2030 and beyond)	910 lb/MWh	1130 lb/MWh

Carbon Dioxide Rates Without Clean Power Plan

2012 Historic*	1,779 lb/Net MWh
2020 Projections (without CPP)	1,551 lb/Net MWh

*EPA made some targeted baseline adjustments at the state level to address commenter concerns about the representativeness of baseline-year data.

Timeline for Plan Submission and Compliance

EPA has extended the deadline for submission of single state plans.

- By Sept. 6, 2016, Arkansas has the choice to either submit a final plan or submit an initial plan with an extension request for final-plan submission until Sept. 6, 2018, regardless of whether Arkansas chooses to submit a single-state plan or join a multi-state plan
- States that choose to request an extension for submitting a final plan must submit a progress report by Sept. 6, 2017. Stakeholder input will be a key part of the plan.
- EPA has proposed a federal plan to implement should states fail to submit an approvable plan. EPA is currently taking comment on the proposed federal plan.
- No sanctions would be imposed for failure to submit, implement, or enforce a state plan.

The start of the compliance period has been delayed by two years.

- Under the final rule, the compliance period will begin in 2022—two years later than initially proposed. States will be required to attain their final carbon-emissions goal by 2030.

Incentives are offered to reward early action.

- EPA has created the Clean Energy Incentive Program (CEIP) to reward early investments in renewable energy and energy efficiency.
- CEIP is a voluntary “matching fund” program in which states can provide early action credits or allowances for investments in solar and wind generation and for demand-side energy efficiency implemented in low-income communities that deliver carbon-dioxide emission reduction in 2020 and 2021.
- EPA will match early action credits or allowances up to an amount equivalent to 30 million short tons of CO₂ emissions.

Press Conference Sponsors

The Arkansas Public Service Commission is a three-member board appointed by the governor to ensure that public utilities in Arkansas provide safe, adequate and reliable service at fair and reasonable rates.

The Arkansas Department of Environmental Quality, a state agency, works to protect, enhance and restore the natural environment for the well-being of all Arkansans.

PSC and ADEQ Contacts

Ted Thomas, Chairman, Arkansas Public Service Commission

Becky W. Keogh, Director, Arkansas Department of Environmental Quality

Katherine Benenati, ADEQ Media Spokesman,
501-682-0821, benenati@adeq.state.ar.us