



**NMA**  
THE AMERICAN RESOURCE

# EPA'S REGULATORY TRAIN WRECK

*What It Is, When It's Coming and What It Could Mean for America's Jobs, Power and Most Important Domestic Energy Reserve*

With 14 million Americans out of work, our nation's extraordinary, domestic reserves of coal are more critical than ever before - especially as a source of abundant, low-cost electricity capable of powering and sustaining a robust, long-term recovery.

But even at a time of great economic stress, EPA is poised to enact a series of back-door mandates that threaten to cost millions of Americans their jobs, and increase the cost of their electricity while they're at it. Collectively, it's called the EPA "Train Wreck" - and it's right around the bend.

## Transport Rule

- Final rule expected: July 2011
- Estimated cost: \$130 billion by 2015 (Brattle Group)

In 2005, EPA finalized the Clean Air Interstate Rule aimed at reducing nitrogen oxide and sulfur dioxide emissions 70 percent by 2025. Only six years later, EPA is poised to impose a new nationwide mandate that, according to an analysis by Bernstein Research, has the potential to severely impact nearly 20 percent of the nation's coal-based generation.

## MACT Rule

- Draft EPA rule expected: March 2011
- Projected coal-plant closures as result of rule: 30-70 GW (FBR Capital)

EPA is slated to propose new standards requiring costly emissions controls, forcing coal units to install equipment that in some cases is prohibitively expensive, and other cases simply doesn't yet commercially exist. According to FBR Capital, the combination of the Transport and MACT rules could force the retirement of between 30-70 GW of the lowest cost electricity generating capacity.

## Ozone Rule

- EPA decision/draft rule expected: July 2011
- Estimated number of U.S. jobs lost: 7.3 million (Manufacturers Alliance/MAPI)

After imposing new rules lowering standards for ozone to 85 parts per billion (ppb) in 1997 and reducing them again to 75 ppb in 2008, EPA has proposed new reductions as low as 60 ppb. According to an analysis by the Congressional Research Service, moving the goalposts yet again would push 565 new U.S. counties into non-attainment status under the Clean Air Act.

## Coal Combustion Residuals Rule

- New draft rule expected: Fall 2011
- As many as 350 coal-based facilities shuttered (EPRI)

Cement, drywall, kitchen counters, even bowling balls - just some of the products that rely on recycled coal residuals as an essential component in their manufacture. Such recycling activities could come under new threat if EPA re-categorizes these materials as "hazardous," costing as much as \$75 billion over the next two decades according to EPRI.

**Experts Agree:**  
*New EPA Rules will Result in Slashing of America's Coal Fleet*



As much as **75 GW LOST**

**22%** of U.S. coal fleet cancelled out  
Enough electricity to power **56.3 million** homes



**69 GW LOST**

**20.2%** of U.S. coal fleet cancelled out  
Enough electricity to power **51.7 million** homes



**69 GW LOST**

**20.2%** of U.S. coal fleet cancelled out  
Enough electricity to power **51.7 million** homes

*The Brattle Group*

**67 GW LOST**

**19.7%** of U.S. coal fleet cancelled out  
Enough electricity to power **50.3 million** homes



**65 GW LOST**

**19.1%** of U.S. coal fleet cancelled out  
Enough electricity to power **48.8 million** homes



**60 GW LOST**

**17.6%** of U.S. coal fleet cancelled out  
Enough electricity to power **45 million** homes

**1 GW** = power for 750,000 homes

## Workers Agree: New Rules Result in Lost Middle-Class Jobs

According to a report from the United Mine Workers of America, job losses associated with the closure of EPA-targeted coal units could be significant, amounting to more than 50,000 direct jobs in the coal, utility and rail industries, and an indirect job loss figure exceeding 250,000. Following are the regions expected to be hit the hardest.

### Potential Job Losses Due to Closure of Coal "Units at Risk"

25-400 MW, > 40 years old w/o existing or planned scrubbers

	No. of units	Direct jobs	Total jobs
New England	11	1,975	6,552
Middle Atlantic	34	2,564	13,101
E. No. Central	146	17,605	82,873
W. No. Central	74	6,868	29,880
So. Atlantic	98	14,324	63,304
E So. Atlantic	55	9,141	46,570
Mountain	15	1,675	9,010
<b>Total U.S.</b>	<b>433</b>	<b>54,151</b>	<b>251,291</b>

UMWA, 5/2010

*Since 1970, emissions have declined significantly, while coal-based generation has increased by more than 180% in that time.*

### New EPA Rules Ignore Enormous Environmental Progress

Enormous progress has been made over the past three decades to reduce air emissions per kilowatt-hour of electricity generated - even as electricity demand increased **85 percent** in that time. Notably, these gains were achieved without the command and control approach envisioned now by EPA.

#### Sulfur Dioxide (SO<sub>2</sub>)

- Since 1980, SO<sub>2</sub> emissions have fallen by **56 percent** even as America's utilities have increased their coal use by 75 percent.

#### Nitrogen Oxide (NO<sub>x</sub>)

- Since 1990 NO<sub>x</sub> emissions have decreased by **77 percent** nationwide.

#### Mercury

- Mercury emissions have been **cut in half** over the past 30 years, even without direct EPA regulation during that period.

Edison Electric Institute / EPA 2009

