



Principles

Carbon Pollution Standards for Existing Power Plants

Like the Clean Car Standards, the Carbon Pollution Standards for existing power plants can be designed with input from key stakeholders to achieve science-based reductions in carbon emissions and other harmful air pollutants cost-effectively while fostering innovation and investments in clean technologies and efficiency that will strengthen the economy and create jobs.

Ensuring environmental effectiveness.

The standards should achieve the scope and pace of reductions from the power sector's contribution to carbon emissions consonant with climate science and the President's goal of securing a 17% reduction in emissions from 2005 levels by 2020, mobilizing cost-effective and demonstrated systems of emission reduction.

Providing flexibility.

Substantial reductions in carbon emissions from the power sector have been achieved and are being achieved across the country through improvements at existing plants, increases in utilization of lower-emitting fossil generation, increases in zero-emitting generation capacity, and investments in demand-side energy efficiency. In order to facilitate further, meaningful reductions in carbon emissions and state-level innovation, the Carbon Pollution Standards should facilitate deployment of the full range of these emission reducing mechanisms with rigorous measurement and verification of the emission reduction results.

A system that allowed averaging of emission reductions across units within a state could provide greater flexibility and cost-effectiveness, foster additional cost-effective emission reductions, and enable companies to make sound decisions about investments in units they have identified as nearing the end of their useful life. One effective means of facilitating averaging would be to allow trading of credits representing emissions reduced or avoided.

Supporting state innovation.

In order to encourage policy innovation while ensuring the inviolability of the emission reductions, the framework should provide for states to design automatic backstops to "make up" any missed reductions should policies included in a state plan fall short of their goals.

Establishing a strong legal foundation.

The standards should be designed consonant with the language of Section 111 to ensure the program is legally durable.

Recognizing progress.

The well documented reductions in carbon emissions that first mover States and companies have already achieved should be recognized in an appropriate, calibrated way to reward innovation and progress in pollution mitigation.



Maximizing cost-effectiveness.

In order to maximize cost-effectiveness and create appropriate incentives, the standards should treat all tons of CO₂ the same. One means of doing this would be to measure compliance in tons of CO₂.

Providing certainty.

In order to provide power companies with the certainty they need to make long-term infrastructure investments, the standards should provide a consistent, long-term signal, such as a standard that consistently declines over time and spans over a multi-year period. EPA should commit to review and update the standards at regular, appropriate intervals to reflect advances in emission reduction systems and any scientific developments indicating the need to secure additional emissions reductions.

Integrated multipollutant planning.

Carbon pollution standards should be adopted and carried out to enable optimized, integrated investments with other pollution reduction programs for the power sector. Similarly, the carbon pollution reduction program should encourage cost-effective integrated multi-pollutant emissions strategies that cut carbon emissions and other airborne contaminants.