



LATEST NEWS

'GAME WE CAN'T WIN': Coal states brace for plant closures over EPA regs (2014)



The energy industry and coal-producing states are projecting a wave of power plant closures in the final two years of the Obama administration as Environmental Protection Agency regulations take hold.

The goal of the agency's campaign is to cut down on carbon pollution. However, industry groups and agencies say the EPA's demands are simply too difficult to meet and will lead to powering down many facilities -- eliminating hundreds of jobs and hurting cash-strapped state economies.

"It's a game we can't win," Alan Minier, chairman of the Wyoming Public Service Commission, told FoxNews.com.

The number of projected closures has steadily risen. Though estimates vary, according to the Institute for Energy Research a total of 37 states including Wyoming are seeing closures. The group lists nearly 170 plants that have closed or are closing, or are being converted to other purposes.

IER cites a handful of existing EPA regulations, as well as a major proposal to cut emissions from existing power plants. That calls for cutting emissions nationally by 30 percent of 2005 levels by 2030. The plan assumes emissions can be curbed through remedial action in four general areas: improved efficiency of coal plants, enhanced energy conservation measures, increased natural gas and renewable power generation.

But industry groups say in many cases, it's too heavy a lift. And they say not only jobs, but the nation's power supply will suffer.

The Institute for Energy Research, in its latest report, predicts more than 72 gigawatts of "electrical generating capacity" are going offline. "To put 72 GW in perspective, that is enough electrical generation capacity to reliably power 44.7 million homes or every home in every state west of the Mississippi River, excluding Texas," IER report says.

The EPA has received hundreds of thousands of comments on the proposal as it pushes to finalize the rules.

The agency calls it a "commonsense plan" that will tackle the health and economic risks of climate change, including avoiding thousands of premature deaths.

But as the agency claims to be giving states flexibility, those trying to meet the new eco-friendly rules say they are up against unrealistic standards.

In Wyoming, for example, four coal-fired power plants are set to be prematurely shuttered because they fall short of the requirements imposed by the Obama administration to curb carbon emissions.

Minier, who wrote a Nov. 21 letter to EPA Administrator Gina McCarthy, believes the federal proposal overestimates utilities' ability to improve the efficiency of their coal-fired power plants, overstates the potential growth of renewable power and makes incorrect calculations concerning Wyoming's natural gas generation.

"I'm trying not to sound alarmist, but it seems to me the scale at which this would affect us, because we are exporters of electricity and coal, I think it will impact our economy in a materially adverse way," Minier said in a recent interview with the Casper Star-Tribune.

In August, the Government Accountability Office estimated the number of coal-fired power plants that will close by 2025. The GAO, a watchdog agency, had initially estimated that 2 percent to 12 percent of U.S. coal capacity would retire, but the August estimates have it even higher at 13 percent.

"This level of retirements is significantly more retirements than have occurred in the past," the GAO said.

Other estimates say the proposed carbon rules could close "hundreds" of plants.

States have until June 30, 2016 to come up with a plan to meet and implement the changes.

The problem, at least in states like Wyoming, is the EPA requirements may be too ambitious. Wyoming isn't going to fall short in one area, Minier told FoxNews.com -- the state will fail all four.

The GAO's report reinforced concerns many Republicans have that the EPA's rules are closing down plants. House Science Committee Chairman Lamar Smith, R-Texas, this week urged McCarthy to scrap the "outrageous" power plant proposal.

The EPA argues that efficiency improvements will pay for themselves in terms of fuel costs and other health and environmental benefits.

While Wyoming has a tough climb to meet the standards, its neighbors are no better off.

Colorado and South Dakota need to cut carbon emissions by 35 percent, Utah by 27 percent, and Montana by 21 percent -- while Idaho faces a 33 percent reduction.

But the Obama administration still has plenty of defenders in its regulatory push.

Dean Baker, a D.C.-based economist and the co-founder of the Center for Economic and Policy Research, says shutting down coal plants could be good for not only the environment but also the economy.

Baker told Think Progress that clean alternatives to coal not just natural gas but wind and solar are competitive, so switches should come with minimal economic hassle. He also believes that renewables can work in tandem with natural gas to make the transition smoother. Indeed, some of the plants on IER's closure list are converting to natural gas.