



PRESS RELEASE

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CONTACT: Marnie Satterfield
(202) 223-1420
msatterfield@ieca-us.org

“IECA Supports Senate Joint Resolution 37 to Disapprove of Utility MACT Regulation – Urges More Time to Comply”

The Industrial Energy Consumers of America (IECA) today urged action by the Senate to address the EPA Utility MACT regulation that is forecasted to result in double digit electricity prices in about 30 states and threaten electric reliability. This is the most expensive power sector EPA regulation in history and all of the costs will get passed onto us, the consumer – yet Congress has failed to act. And, this is only one of several new costly EPA utility regulations.

Even without this new regulation, electricity costs have been rising at an alarming rate. According to the EIA, U.S. industrial electricity costs have risen 4.5 percent per year since 2000. Despite lower natural gas costs for gas-fired power generation, industrial electricity prices rose in 2011. Even a 1 cent/kWh increase in the cost of electricity imposes additional costs of approximately \$9 billion per year on manufacturing facilities.

Unless this regulation is changed, it will have a severe impact on manufacturing competitiveness and jobs. It is for this reason that IECA supports passage of Senate Joint Resolution 37 that disapproves of the Utility MACT.

At minimum, the Congress needs to intervene to give electric utilities more time to comply. As written, the rule gives only three years for compliance plus a one year extension in certain cases. EPA’s attempt to provide relief from enforcement for one additional year only applies to very limited circumstances. This is inadequate.

The North American Reliability Council study said that as much as 59 gigawatts or about 15 percent of the total generation capacity could be shut down. Power plants have already announced a total of 33 gigawatts of retirements. It took more than a decade to build this generation capacity and now EPA rules are banking on replacement capacity to be built in three years. In our judgment, this is an inadequate amount of time and could lead to reliability problems with severe health, safety and economic implications.

We share the environmental goals involved in many of the regulatory efforts, we must find ways of addressing air issues cost-effectively.

The Industrial Energy Consumers of America is a nonpartisan association of leading manufacturing companies with \$700 billion in annual sales and with more than 650,000 employees nationwide. It is an organization created to promote the interests of manufacturing companies through research, advocacy, and collaboration for which the availability, use and cost of energy, power or feedstock play a significant role in their ability to compete in domestic and world markets. IECA membership represents a diverse set of industries including: plastics, cement, paper, food processing, brick, chemicals, fertilizer, insulation, steel, glass, industrial gases, pharmaceutical, aluminum and brewing.