



# PRESS RELEASE

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**FOR IMMEDIATE RELEASE**

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## **EPA GHG REGULATION ON EXISTING POWER PLANT GENERATORS RAISES SIGNIFICANT COST AND RELIABILITY CONCERNS FOR MANUFACTURERS**

As some of the largest manufacturing consumers of electricity in the U.S., we remain deeply concerned that the proposed rule to regulate GHGs from existing electricity generating units will significantly increase electricity prices. A major shift from coal, and an overreliance on natural gas and renewable energy generation, will reduce reliability. All costs imposed by the U.S. EPA rule will be passed onto us, the consumers. The manufacturing sector consumes over 25 percent of all power generation.

The key to low cost and reliable power has always been a diverse fuel mix that includes coal, the lowest cost fossil fuel energy source for base load generation. The EPA carbon reduction requirements will directly reduce use of coal, fuel flexibility, and reliability. Grid reliability problems lead to electricity curtailment of manufacturing facilities and can cost tens of thousands of dollars for small facilities and tens of millions of dollars for larger facilities. This is especially troublesome during peak demand periods. Reliability is also a safety issue for our employees.

“We remain deeply concerned about what this rule will do to electricity prices and manufacturing competitiveness,” said Paul Cicio, President of the Industrial Energy Consumers of America. “The EIA has already forecasted electricity prices to rise 4 percent in 2014 and a significant 13 percent increase by 2020, primarily due to coal-fired power plant retirements from the EPA Mercury rule. Additional coal-fired power plant retirements due to the proposed GHG rule will further increase these prices.”

IECA members are mostly energy-intensive trade-exposed (EITE) companies. EITE companies consume over 80 percent of all of the energy of the manufacturing sector. If energy costs rise these companies may shut down U.S. manufacturing facilities or move them offshore, along with GHG emissions and jobs. The result is “GHG leakage.” Forcing EITEs offshore accomplishes nothing environmentally and damages the domestic economy and employment.

IECA supports cost-effective energy efficiency and distributive electrical generation, like CHP and waste heat recovery, as solutions.

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*The Industrial Energy Consumers of America is a nonpartisan association of leading manufacturing companies with \$1.0 trillion in annual sales, over 1,500 facilities nationwide, and with more than 1.4 million employees worldwide. It is an organization created to promote the interests of manufacturing companies through 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: chemical, plastics, steel, iron ore, aluminum, paper, food processing, fertilizer, insulation, glass, industrial gases, pharmaceutical, building products, brewing, independent oil refining, and cement.*