



Unanimously Adopted on September 29, 2014

Sponsored by: Senator Cam Ward of Alabama

Representative Rocky Miller of Missouri

Representative Bill Sandifer of South Carolina

3.2014 – Resolution Supporting Fuel and Technology Diversity in the U.S. Electricity Generation Portfolio

WHEREAS, fuel and technology diversity historically have been key strengths of the electricity generation sector serving the South and the United States as a whole, helping to ensure price stability, system reliability, technical innovation, effective resource planning and integration, environmental protection, job creation, and strong economic growth; and

WHEREAS, IHS Energy has issued a report entitled “*The Value of US Power Supply Diversity*,” which concludes that diversity of fuels and technology in the U.S. electricity portfolio is “fundamental to a properly functioning electricity system”; and

WHEREAS, the IHS Energy report finds that the United States is moving toward a “significant reduction” of diversity in its electricity mix with much of the Nation’s baseload supply capacity at risk; and

WHEREAS, the IHS Energy report further finds that continuing shutdowns of the country’s baseload nuclear and coal generating assets would decrease a typical household’s annual disposable income by more than \$2,000, drive down the annual U.S. gross domestic product by nearly \$200 billion, increase wholesale and retail electricity prices by 75 percent and 25 percent respectively, and cause the loss of approximately one million jobs while degrading electricity reliability for consumers; and

WHEREAS, implementing an effective all-of-the-above energy policy and directing new energy infrastructure investment requires properly internalizing the value of fuel diversity; and

WHEREAS, market flaws distort wholesale power prices downward resulting in uneconomic retirement and replacement of existing cost-effective generation resources.

THEREFORE, BE IT RESOLVED that the members of the Southern States Energy Board recognize the importance and value of fuel and technology diversity in the U.S. electricity generation portfolio and urge federal, state, and local officials to work with the electric sector to preserve portfolio diversity and its benefits to the economy; and

THEREFORE, BE IT FURTHER RESOLVED that the members of the Southern States Energy Board commend the findings of IHS Energy’s report, “*The Value of US Power Supply Diversity*,” to the President of the United States, the United States Congress, the Federal Energy Regulatory Commission, the U.S. Department of Energy, the Southeastern Association of Regulatory Utility Commissioners, and the National Association of Regulatory Utility Commissioners.



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Representative Bill Sandifer of South Carolina
Senator Art Kirkendoll of West Virginia

4.2014 –Resolution Concerning U.S. EPA's Proposed Greenhouse Gas Emission Guidelines for Existing Fossil-Fueled Power Plants

WHEREAS, on June 18, 2014, the United States Environmental Protection Agency (EPA) published in the Federal Register a proposal ("Clean Power Plan") for reducing carbon dioxide (CO₂) emissions from existing fossil-fueled power plants based on Clean Air Act Section 111(d); and

WHEREAS, EPA's proposed Clean Power Plan establishes significant CO₂ emission reductions for power plants in the Southern States Energy Board member states that will cause disruptive changes in the region's well diversified electricity mix; and

WHEREAS, states would only have 12 to 24 months after EPA approves their implementation plans to progress towards meeting their interim emissions target on January 1, 2020; and

WHEREAS, EPA, in its Regulatory Impact Analysis and databases, lists potential plant unit retirements for states and predicts that 46 to 49 gigawatts of coal-fueled generation in the U.S. will be shut down between 2016 and 2020 due to its Clean Power Plan and 75 percent of that lost capacity will disproportionately come from the 16 states in the SSEB region; and

WHEREAS, these retirements are in addition to the 71 gigawatts of coal-fueled generation that EPA acknowledges has retired or will retire between 2010 and 2020, for a total loss of generation to power 60 million homes due to other recent regulations and factors; and

WHEREAS, the promotion and funding of carbon capture and storage (CCS) technology development is essential to continuing the progress of facilities, such as Plant Barry in Alabama, the largest carbon capture and storage demonstration project to date; and

WHEREAS, another component of the proposed regulations that has serious implications for the Southern region is the EPA's treatment of under-construction nuclear energy facilities. In calculating state benchmarks, the EPA credited under-construction nuclear energy facilities as if they were currently operational. This disproportionately affects states in the southern region, as the only nuclear energy facilities currently being constructed are in the states of Georgia, South Carolina, and Tennessee. It is inappropriate to reflect the completion of these units in state goals, as the units are not currently completed. As a result, the affected states will have to make more drastic emissions reductions in order to meet the proposed goals; and

WHEREAS, EPA does not recognize the CO₂ emission reductions states have made before 2012, although the U.S. leads all other countries in reductions made since the year 2005; and according to EPA's modeling, would lead to 11 of the 16 SSEB states reducing their power plant CO₂ emissions more than the 30 percent national reduction from 2005 levels; and

WHEREAS, the 16 states in the Southern States Energy Board region currently produce over 50 percent of the U.S. energy supply, and \$5 trillion of the nation's \$16 trillion economic output with a commensurate number of high quality jobs in the manufacturing and agriculture sectors and with much lower electricity rates and higher economic growth than states with self-imposed carbon limits; and

WHEREAS, SSEB, individual state and other associations of legislators, financial regulators, attorneys general, and environmental commissioners have previously expressed their concerns



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with EPA's plans to regulate CO₂ emissions, have supported reasonable environmental policies as long as they maintain predictable, stable, affordable, and reliable supplies of electricity and have expressed the need to preserve the rights and powers of the states, including the sovereign right of each state to determine the appropriate mix of energy resources to meet its electricity needs; and

Whereas, EPA's proposed Clean Power Plan would establish an unprecedented program for EPA to regulate the production, delivery and use of electricity in the SSEB states and the entire United States by requiring each state to achieve an emission rate that cannot be achieved by the emitting 111(d) designated facilities so that states must rely on the production of electricity from non-emitting sources and from avoided generation attributed to consumer end use efficiency measures; and

Whereas, Congress did not empower EPA to expand its environmental policy role beyond the requirements in Section 111 of the Clean Air Act and EPA would be intruding upon the authority reserved to the states under the 10th Amendment of the U.S. Constitution; now

THEREFORE, BE IT RESOLVED that the Southern States Energy Board requests that the U.S. EPA withdraw the proposed guidelines and issue new guidelines that allow the southern states to establish policies that are in the best interest of the region and each of its states. The guidelines should:

1. Respect the primacy of states by allowing states to develop plans that establish performance standards and discretion and flexibility in establishing compliance mechanisms.
2. Maintain an adequate, reliable, affordable electrical generating fleet.
3. Be based on EPA guidelines for cost-effective, achievable reductions at the affected power plant units, rather than the states.
4. Establish emissions guidelines based on adequately demonstrated systems that are fuel and technology specific.
5. Provide credit for significant emissions reductions already made or being made.
6. Avoid premature retirements and stranded assets.
7. Be fair and equitable to all electricity consumers; and

BE IT FURTHER RESOLVED, that EPA should adopt policies that do not conflict with the responsibility of each state to provide affordable and reliable supplies of electricity for its citizens; and

BE IT FURTHER RESOLVED, the United States Department of Energy, Office of Fossil Energy should receive an increased appropriation to provide funding to further develop carbon capture and storage technology essential to ensuring that coal remains a vital and competitive asset in the United States' energy portfolio; and

BE IT FURTHER RESOLVED, SSEB recommends that state legislators work with other policymakers in their states to:



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- a) Provide comments to EPA on the legal, reliability, affordability, achievability, timing, implementation scheduling, and other issues that need to be considered for individual and groups of states to eliminate or minimize the aforementioned risks; and
- b) Jointly develop state implementation plans to protect residential, industrial, and commercial electricity users and ensure continued reliability of the electric system; and
- c) Continue to engage EPA and other relevant federal agencies and congressional delegations after the regulation is finalized to eliminate or minimize the aforementioned risks and consequences.



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5.2014 – Resolution Questioning Nuclear-Specific Provisions of U.S. EPA’s Proposed 111(d) Carbon Rule

WHEREAS, there is broad consensus throughout industry, academia, the United States government, and international organizations that zero-carbon nuclear energy is a necessary component of any meaningful strategy to reduce carbon in the electric generation sector, and nuclear energy presently generates nearly two-thirds of all carbon-free electricity in the U.S.; and

WHEREAS, the existing 44 reactor nuclear fleet throughout the Southern States Energy Board region, and five new reactors now under construction to come on-line in Tennessee, Georgia, and South Carolina by 2019, are key assets in the South’s ongoing comprehensive, multi-technology carbon reduction strategy; and

WHEREAS, the U.S. Environmental Protection Agency (U.S. EPA) has recognized that maintaining the existing nuclear fleet is a cost-effective carbon abatement strategy, but the agency’s proposed carbon rule considers only six percent of the carbon-free electricity produced by a state’s existing nuclear power plants and would not count the output of nuclear reactors now under construction in the U.S., all of which are being built in the South; and

WHEREAS, EPA’s proposal counts all renewable electricity production regardless of when it was placed into service, but ignores 94 percent of existing nuclear plant electricity production and all hydroelectric plant production.

THEREFORE, BE IT RESOLVED that the members of the Southern States Energy Board call on U.S. EPA to treat all sources of non-carbon generation equally and recognize that nuclear energy is critical to any national carbon reduction strategy so that states have sufficient incentive to preserve existing nuclear capacity and build new reactors.