

# Clean Power Plan Update

(EW-2012-0065)

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# Clean Power Plan Update

- Brief overview of the rule
- Empire's generation resources
- EDE comments to rule
- Current projected cost of compliance
- State goals and compliance efforts

# Rule Overview

## ■ GHG NSPS for Existing Units (Clean Power Plan)

### ▶ Current Timeline

- Rule published in Federal Register - June 18, 2014
- Comments due – October 16, 2014
- Final rules June 2015
- State Compliance Plans due June 2016 – 2018

### ▶ Nationwide 30% CO<sub>2</sub> reduction from 2005 levels

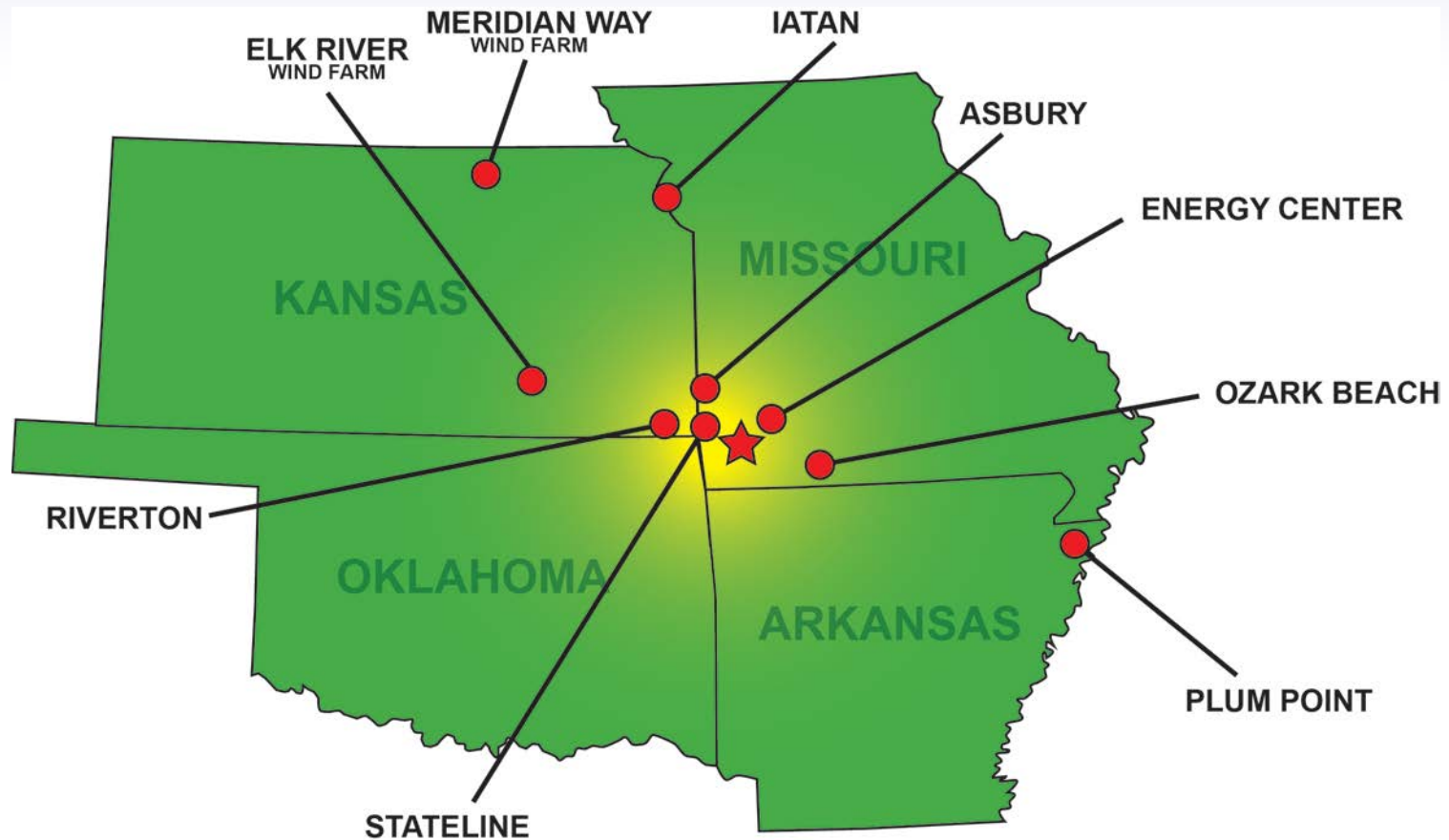
### ▶ Best System of Emission Reductions (BSER)

- Unit-specific efficiency improvements (Building Block 1)
- Re-dispatch from coal-based to natural gas-based units (Building Block 2)
- Expanded use of low- and zero-carbon generating capacity (Building Block 3)
- Expanded use of demand-side energy efficiency (Building Block 4)

### ▶ State Plans

- States to decide how to achieve goals (can partner with other states)
- State-specific, output-weighted-average CO<sub>2</sub> pounds per net MWh
- Initial state meetings took place in late June and early July

# Empire's Generation Resources



# EDE Comments to Rule

## ■ Potential Comment Topics (not all-inclusive list)

- ▶ Timeline for state's to submit Compliance Plans
- ▶ Timeline to meet interim and final goals
- ▶ Difficulties for utility's that operate in multiple states
- ▶ Building Block 1: Incremental efficiency gains at existing units
- ▶ Building Block 2: Re-dispatch of coal/natural gas combined cycles
- ▶ Building Block 3: Renewable energy applicability
- ▶ Building Block 4: Demand-side efficiency measures
- ▶ Compliance demonstration mechanics (rate-based vs. mass-based approaches)
- ▶ Pre-2012 activities and compliance
- ▶ NSR implications
- ▶ Accountability in multi-state approaches

# Current Projected Cost of Compliance

- Do not know at this time
- Rule is not final
  - ▶ Will KS wind count for MO compliance?
  - ▶ Will MO partner with any other states?
  - ▶ Do we have the infrastructure/ability to re-dispatch to 70% capacity factor on natural gas combined cycles?
  - ▶ Will final rule assume MO increases EE by 20-fold?
  - ▶ Will EPA allow efficiency gains prior to 2012?
  - ▶ Many more questions to be answered
- We will know a lot more when MO has an approved Compliance Plan

# State Goals and Compliance Efforts

## ▶ Empire's state goals (lbs/MWh)

	Current	Interim Goal	Final Goal	Total Reduction
Missouri	1,963	1,621	1,544	21%
Kansas	1,940	1,578	1,499	23%
Arkansas	1,634	968	910	44%

## ▶ \*Empire generation fleet averages (2013 lbs/MWh)

- MO - 1,800
- KS - 100
- AR - 2,300
- Overall - 1,530

## ▶ Empire compliance efforts

- Push for multi-state approach
- Ability to utilize Kansas wind generation a “must” for compliance in all states
- Empire's existing diverse energy portfolio is a positive

\* Emission rates will fluctuate with actual operation of units

# Questions?

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