## FACT SHEET FOR TRIBES GREENHOUSE GAS STANDARDS AND GUIDELINES FOR FOSSIL FUEL-FIRED POWER PLANTS PROPOSED RULE

## Summary

On May 11, 2023, the U.S. Environmental Protection Agency (EPA) announced proposed new carbon pollution standards for coal and gas-fired power plants that will protect public health, reduce harmful pollutants and deliver up to \$85 billion in climate and public health benefits over the next two decades. Consistent with EPA's traditional approach to establishing pollution standards under the Clean Air Act, the proposed limits and guidelines require ambitious reductions in carbon pollution based on proven and cost-effective control technologies that can be applied directly to power plants. They also provide owners and operators of power plants with ample lead time and substantial compliance flexibilities, allowing power companies and grid operators to make sound long-term planning and investment decisions, and supporting the power sector's ability to continue delivering reliable and affordable electricity.

President Biden's policy agenda has driven momentum in the power sector to cut GHGs and is moving us closer to avoiding the worst impacts of climate change. Together with other recent EPA actions to address health-harming pollution from the power sector, the proposed rules deliver on the Administration's commitment to reduce pollution from the power sector while providing long-term regulatory certainty and operational flexibility.

## Overview

- EPA is proposing Clean Air Act emission limits and guidelines for carbon dioxide (CO<sub>2</sub>) from fossil fuel-fired power plants based on cost-effective and available control technologies.
- The proposals set limits for new gas-fired combustion turbines, existing coal, oil and gas-fired steam generating units, and certain existing gas-fired combustion turbines.
- The proposed standards are based on technologies such as carbon capture and sequestration/storage (CCS), low-GHG hydrogen co-firing, and natural gas co-firing, which can be applied directly to power plants that use fossil fuels to generate electricity.
- EPA has evaluated the emissions reductions, benefits, and costs of the proposals to limit CO2 from the existing coal fleet and new natural gas units. EPA projects these proposals would cut 617 million metric tons of CO2 through 2042 along with tens of thousands of tons of PM2.5, SO2, and NOx harmful air pollutants that are known to endanger public health.
  - Between 2024 and 2042, projected climate and health benefits from these emissions reductions range from \$64 billion-to \$85 billion, an annual net benefit that ranges from \$5.4 billion to \$5.9 billion
- Starting in 2030, the proposals would generally require more CO<sub>2</sub> emissions control at fossil fuel-fired power plants that operate more frequently and for more years and would phase in increasingly stringent CO<sub>2</sub> requirements over time. The proposed requirements vary by the type of unit (new or existing, combustion turbine or utility boiler, coal-fired or natural gas-fired), how frequently it operates (base load, intermediate load, or low load (peaking) and its operating horizon (i.e., planned operation after certain future dates).

## **Proposed Standards and Tribes**

- EPA is aware of two existing power plants within tribal jurisdictions that are potentially affected by this proposal. They are:
  - Four Corners Steam Electricity Station on the Navajo Indian Reservation. Four Corners has announced that these units will retire in 2031. This facility is located within New Mexico's boundaries.
  - Bonanza is a coal-fired unit on the Uintah and Ouray Reservation. Bonanza has announced plans to retire its units in 2030. This facility is located within Utah's boundaries.
  - Note: EPA is aware of one power plant that may not be affected by these standards as proposed. South Point Energy Center is a natural gas combined cycle unit on the Fort Mojave Indian Reservation nation. This facility is located within Arizona's boundaries and is under the turbine applicability threshold of 300 MW. EPA is taking comment on potential thresholds lower than 300 MWs.
- Under the Tribal Authority Rule (TAR) adopted by EPA, tribes may seek authority to implement a plan under CAA section 111(d) in a manner similar to a state. Tribes may, but are not required to, seek approval for treatment like a state to develop a Tribal Implementation Plan (TIP) to implement the emission guidelines. If a tribe obtains approval and submits a TIP, EPA will generally use similar criteria and follow similar procedures as those described for state plans when evaluating the TIP submission and will approve the TIP if appropriate.
- EPA is committed to working with eligible tribes to help them seek authorization and develop plans if they choose. Tribes that choose to develop plans will generally have the same flexibilities available to states in this process. If a tribe does not seek and obtain the authority from the EPA to establish a TIP, EPA has the authority to establish a Federal CAA section 111(d) plan for areas of Indian country where designated facilities are located. A Federal plan would apply to all designated facilities located in the areas of Indian country covered by the Federal plan unless and until the EPA approves a TIP applicable to those facilities.
- EPA's proposed emission guidelines for existing fossil fuel-fired steam generating units as
  well as existing fossil fuel-fired stationary combustion turbines would require states and/or
  tribes to undertake meaningful engagement with affected stakeholders, including
  communities that are most affected by and vulnerable to impacts from these EGUs. This
  ensures that the priorities, concerns and perspectives of these communities are heard
  during the planning process.
- In some cases, an affected EGU in a state may be located near tribal boundaries and impact communities in neighboring states or tribal lands. In such cases, EPA believes it could be reasonable for a state to identify pertinent stakeholders in the neighboring state or tribal

- land and to work with the relevant air pollution control authority to conduct meaningful engagement that addresses cross-border impacts. EPA is soliciting comments on how meaningful engagement should apply to pertinent stakeholders outside a state's borders.
- Meaningful engagement requirements are intended to ensure that the perspectives, priorities and concerns of affected communities are included in the process of establishing and implementing standards of performance for existing EGUs, including decisions about compliance strategies and compliance flexibilities that may be included in a tribal or state plan.
- EPA encourages and looks forward to engagement with Tribal Nations as well as comments on the proposed rule.
- EPA will hold a virtual public hearing for this proposed action. Further details will be announced at Greenhouse Gas Standards and Guidelines for Fossil Fuel-Fired Power Plants.
- EPA will accept comment on the proposal for 60 days after publication in the *Federal Register*. Comments, identified by Docket ID No. EPA-HQ-OAR-2023-0072, may be submitted by one of the following methods:
  - Go to <a href="https://www.regulations.gov/">https://www.regulations.gov/</a> and follow the online instructions for submitting comments.
  - Send comments by email to <u>a-and-r-docket@epa.gov</u>, Attention Docket ID No. EPA-HQ-OAR-2023-0072 in the subject line of the message.
  - Fax your comments to: (202) 566-9744, Attention Docket ID No. EPA-HQ-OAR-2023-0072.
  - Mail your comments to: EPA Docket Center, Environmental Protection Agency, Mail Code: 28221T, 1200 Pennsylvania Ave, NW, Washington, DC 20460, Attention Docket ID No. EPA-HQ-OAR-2023-0072.
  - Deliver comments in person to: EPA Docket Center, 1301 Constitution Ave., NW, Room 3334, Washington, DC. Note: In-person deliveries (including courier deliveries) are only accepted during the Docket Center's normal hours of operation. Special arrangements should be made for deliveries of boxed information.