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The Top 6 Takeaways From the EPA's Proposed Greenhouse Gas Rules

The Environmental Protection Agency (EPA) released a proposed rule this morning that would regulate carbon dioxide (CO₂) emissions from existing power plants. The rule would require reductions in CO₂ emissions of 25 percent by 2020 and by 30 percent by 2030. Here are the big takeaways that you need to know:

1. Environmentalists Are the Big Winners:

Despite all of the discussion and debate about the particulars of the proposed rule, the bottom line is that CO₂ emissions will be regulated for the very first time when the rule is finalized. This is a monumental step in and of itself – regardless of the details of the proposal.

2. The Most Meaningful Impact Is Symbolic:

The power sector generates nearly 40 percent of our country's CO₂ emissions, and coal plants are the largest contributors. But even when fully implemented, this rule will not have a meaningful impact on global greenhouse gas emissions. The rule's importance is that it sends a signal to the international community that the U.S. is committed to cutting CO₂ emissions, and it gives American negotiators a stronger hand when developing international climate change agreements.

3. The Congress Will Complain but It Can't Stop the Rules:

There will be plenty of opposition in the Congress to the proposal – including from some Democrats – but the Congress is unable to stop the rules from moving forward. Gridlock has slowed legislative progress to a near standstill. Even if Congress were to muster a majority to pass a bill blocking the rules, the Congress is nowhere close to the supermajority that would be needed to override a certain presidential veto.

4. The EPA Is Open to Revisions:

EPA Administrator Gina McCarthy has said repeatedly that the EPA is open to making changes to the proposal before the rule goes final. Even opponents of the rule-making have acknowledged that the EPA has done extensive outreach during the development of the proposal. Today, the EPA announced a comment period that is twice as long as the standard comment period and scheduled four, day-long public hearings across the country.

Despite indications that the President would announce this rulemaking himself, the fact that he did not means that the Administration maintains substantial flexibility in how the final rule is crafted. If the President had attended the press event releasing the rule, it would be harder for the EPA to back away

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from the particulars in the proposal. His decision not to attend indicates the EPA's openness to changes moving forward.

5. State Implementation Means More Flexibility and Uncertainty:

As expected, under the proposal, the states play a leading role in the implementation of the EPA standards. While the level of flexibility that they are given is still unclear, the EPA does appear to be providing deference to the states on implementation. State control of implementation provides the flexibility and state-specific solutions that so many stakeholders were demanding. It also creates some uncertainty because state implementation plans will be widely varied – and won't be released for several years.

6. Timing Is Everything:

The Administration met an aggressive deadline in proposing this rule this week. Looking ahead, the timetable the EPA has laid out is even more ambitious. The EPA is planning to issue a final rule in June 2015, followed by staggered deadlines for state implementation plans. Even if all of the milestones are met, the decisions about these implementation plans will be made by the next Administration. Finalization of the rule during the Obama Administration would be a significant accomplishment, but the ultimate success or failure of the program will be determined by the details of the state-by-state proposals. And the EPA's judgments on those plans will be made when someone else is in the White House.

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