The final Clean Power Plan is one of the most significant actions any President has taken to date to tackle climate disruption, which is one of the most serious threats to our families’ health and the environment. The Clean Power Plan sets the first-ever national carbon pollution limits on power plants, which are the largest source of such pollution in the United States. It will secure significant reductions in carbon pollution — 32 percent from 2005 levels by 2030 — while promoting the development of our clean energy economy. Perhaps most exciting, the standard opens up the opportunity for every state — and its residents — to chart their own clean energy future.

The Clean Power Plan alone doesn’t solve the problem of climate disruption, but it gives us an unprecedented framework to make significant progress in reducing dangerous carbon pollution from power plants. This historic step forward sends an important signal to the world that the United States is serious about addressing climate disruption, and it will help clear the way for further climate action, both nationally and internationally.

The Environmental Protection Agency (EPA) has estimated that, in addition to curbing carbon pollution, the Clean Power Plan will result in significant public health benefits and the expansion of clean energy. The Plan will help prevent up to 3,600 premature deaths, result in 90,000 fewer asthma attacks in children, and avoid 300,000 missed school and work days by 2030. Together with other clean energy policies, the Clean Power Plan will reduce premature deaths from power plant pollution by almost 90 percent in 2030 compared to 2005, and it will decrease the pollutants that create soot and smog by more than 70 percent. Furthermore, EPA has estimated that the Clean Power Plan will result in net climate and health benefits between $25 and $45 billion by 2030.

**HOW DO THE CLEAN POWER PLAN’S POLLUTION REDUCTION TARGETS WORK?**

The Clean Power Plan establishes emission performance rates and rate- and mass-based goals for each state. States have three options for meeting their carbon reduction targets under the Clean Power Plan: 1) take measures to directly reduce emissions at fossil fuel plants; 2) reduce overall tons of carbon emitted from the electricity sector in the state, known as a mass-based standard; or 3) reduce the carbon intensity of electricity in the state, as measured in pounds of CO₂ per megawatt hour generated, called a rate-based standard.
For option one, the EPA has calculated “performance rates,” one for coal and one for natural gas facilities. The EPA calculated “interim” performance rates for 2-3 year intervals from 2022-2029, as well as a final requirement for 2030 and beyond. States have the option to follow that path for compliance by simply applying the calculated performance rates individually to each power plant.

In order to create greater flexibility and enable innovative pollution reduction measures, EPA also established rate-based and mass-based goals at a statewide level, which it calculated by applying those performance rates for both coal and natural gas power plants to the state’s overall energy mix in 2012. Each state can choose either of those goals rather than applying the performance rates to each plant individually, as described above.

Once states choose the form of their goals (individual plant rates, statewide rate-based targets, or statewide mass-based targets), they have to prepare a plan to meet those goals. State plans can include many different ways of meeting the goals, including investing in helping customers save energy or deploying more wind and solar power. If a state fails to submit a plan, the EPA has outlined a model federal plan that will be implemented instead.

The Clean Power Plan establishes an interim compliance period between 2022 and 2029, and a final compliance deadline of 2030, with the first compliance demonstration by July 1, 2025 for the 2022-24 period, unless a state chooses to require earlier reporting. However, states also have an opportunity to get credit for taking early actions by investing in wind and solar power, and energy efficiency in low-income communities that generate emission reductions in 2020 and 2021.

**EPA TAKES A STRONG STAND FOR ENVIRONMENTAL JUSTICE**

EPA has recognized that the Clean Power Plan will provide broad public health benefits across the country but especially to those communities that are most vulnerable to the impacts of climate disruption and air pollution. EPA analyzed the communities in close proximity to power plants and found that they include a higher percentage of low-income residents and communities of color when compared to national averages. EPA has called on states to craft environmental justice analyses of their own and evaluate the effects of their plans on these communities, taking steps to ensure that these communities benefit from the implementation of the rule. In order to identify whether state plans would cause any adverse impact on overburdened communities, EPA plans to perform an assessment of the rule’s implementation to determine whether the Clean Power Plan and other air quality rules are leading to improved air quality, or whether there are localized impacts that need to be addressed.

The Clean Power Plan also requires states to demonstrate how they are meaningfully engaging all stakeholders, including workers, low-income communities, communities of color, and indigenous populations living near power plants and otherwise potentially affected by the state’s plans. EPA expects that these communities will participate in order to help states ensure that the state plans increase access to renewable energy and energy efficiency for those communities, maintain the affordability of electricity, and preserve and expand job opportunities.

**THE CLEAN POWER PLAN WILL CREATE GOOD JOBS FOR PEOPLE WHO NEED THEM, AND PROTECT WORKERS AND COMMUNITIES, BUT MORE ACTION IS NEEDED**

The final Clean Power Plan contains many positive changes from a labor and economic justice perspective. While we need more action, it is clear that the Administration has listened to advice from unions, economic justice advocates, and their environmental allies, building several key elements into the policy that set the groundwork to create thousands of good union jobs for people in dire need of them, and to protect the livelihoods of working families who have depended on coal.

The Clean Power Plan will create thousands of new jobs in clean energy and energy efficiency, with new incentives to create good jobs in vulnerable communities. It recommends robust standards to ensure that the new jobs lead to quality careers. The Clean Power Plan and related initiatives also contain vital protections for coal workers and communities. The EPA and the Department of Energy (DOE) have both acted to help ensure that unions, affected workers, and their communities will be treated as stakeholders whose views are heard and reflected in the state processes to create implementation plans. The rule also addresses concerns from affected unions about the reliability of our power system, the timeline for compliance, and emissions reduction credits for manufacturing processes such as combined heat and power.

**THE CLEAN POWER PLAN WILL DELIVER RELIABLE, AFFORDABLE CLEAN ENERGY**

Extreme weather, not pollution limits, is the main cause of blackouts in the United States—and failing to reduce carbon pollution and avoid the worst impacts of climate disruption is the greatest threat to reliability. The majority of power outages in the past decade, and nearly all major outages that affected 50,000 or more people, were caused by equipment failures during severe weather such
as thunderstorms, hurricanes, and blizzards. The Clean Power Plan gives states plenty of time to develop their plans in order to ensure appropriate actions can be taken to maintain reliable electric supply to all of our homes and businesses, and to phase in pollution reductions over time.

The EPA also requires states to address any reliability questions in their state plans, which will enable review of the plan and input from energy regulatory agencies and other entities responsible for keeping the lights on. The rule allows states to amend their approved plans in the event that unanticipated reliability issues arise, and it includes a “reliability safety valve” for individual sources if an extraordinary, unanticipated event that presents reliability challenges occurs. The rule provides for this measure as a precaution -- the agency anticipates that these events will be extremely rare because of inherent flexibility for states and long lead times.

REPLACING DIRTY AND OUTDATED COAL PLANTS WITH ENERGY EFFICIENCY AND CLEAN ENERGY WILL SAVE MONEY

Coal prices have been steadily going up, while the prices of solar and wind have been declining rapidly. The best way to maintain affordable energy is to reduce energy waste and shift to modern, clean energy that does not rely on volatile coal and natural gas prices. EPA has estimated that the standard will save American consumers nearly $85 per year on electricity bills in 2030, and that consumers will save a total of $155 billion from 2020-2030.

One of the most cost effective ways states can meet the targets under the Clean Power Plan is by retiring old, outdated, polluting coal plants. There are hundreds of coal-fired power plants in the US that lack basic pollution controls for air and water pollution, and they are also some of the largest sources of carbon pollution contributing to climate disruption. While the Sierra Club’s Beyond Coal Campaign has helped to retire over 200 coal plants since 2010 and replace them with clean energy, many more outdated coal plants are still chugging along and face major decisions in the next few years about whether or not to install basic technologies to address their egregious air and water pollution. Retiring these dirty facilities and replacing them with renewable energy and energy efficiency is one of the most affordable ways to meet the goals of the Clean Power Plan.

We have abundant and cost-effective ways to replace these plants with cleaner options while providing reliable energy to power our nation, including energy efficiency and renewable power like wind and solar. If we were to replace just a fraction of the most inefficient, expensive, and dirty coal plants that will likely have to make a decision in the next few years about whether or not to keep operating, more than half of the states would be on track to meet or exceed their carbon pollution reduction targets under the Clean Power Plan.

WHAT’S NEXT?

EPA will continue to work with stakeholders to provide information and address questions about the final rule in briefings, teleconferences, and meetings with the agency. EPA’s regional offices will continue to be the entry point for stakeholders to ask technical and policy questions. EPA has also assembled comprehensive training materials, including recorded presentations from EPA, DOE, and other federal agencies. These materials are available online at EPA’s Air Pollution Training Institute. EPA also intends to issue guidance on several topics related to the rule’s implementation, which it will make available online via a dedicated website.

Up next is the state-by-state planning process for implementing EPA’s state goals. The first deadline for states to submit their plans is in September 2016, and while states can receive an extension to submit their state plans until 2018, they must at least submit an interim plan and hold public stakeholder meetings by the 2016 deadline. We will be pushing states to begin their planning process as soon as possible, to drive proactive investments in clean energy in their states and allow sufficient time for meaningful stakeholder input.

DEADLINES AND PROPOSED FEDERAL PLAN

EPA has released this new timeline for states to craft their state plans (Table 1). If a state fails to make an initial submittal by September 6, 2016, the EPA will start evaluating a federal plan for that state.

Table 1: Clean Power Plan Timeline

<table>
<thead>
<tr>
<th>Summer 2015</th>
<th>August 3, 2015: Final Clean Power Plan</th>
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</thead>
<tbody>
<tr>
<td>1 Year</td>
<td>September 6, 2016: States make initial submittals with extension requests or submit Final Plans</td>
</tr>
<tr>
<td>3 Years</td>
<td>September 6, 2018: States with extensions submit Final Plans</td>
</tr>
<tr>
<td>7 Years</td>
<td>January 1, 2022: Compliance period begins</td>
</tr>
<tr>
<td>15 Years</td>
<td>January 1, 2030: CO₂ Emission Goals met</td>
</tr>
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Source: EPA
EPA has also released a proposed federal implementation plan (FIP), and the agency is taking comment on it. EPA has proposed two different types of federal plans—a rate-based trading plan and a mass-based trading plan. Both proposed plan types require covered power plants to meet the standard using the performance rates in the Clean Power Plan. The proposal also includes model rate-based and mass-based trading rules that states can follow to develop their own plans; a state plan that adheres to the model trading rules would be approved by EPA. When the proposed federal plan is finalized, EPA will issue a plan based on this model for states that do not submit their SIPs. EPA has indicated that, even when it issues a federal plan for a particular state, the state will still be able to submit a plan and, if approved, that state and its affected power plants will exit the federal plan. EPA currently intends to adopt only one type of FIP, and the agency is taking comment on which type to finalize if it opts to select a single approach. The agency intends to finalize the model trading rules (both rate-based and mass-based) in summer 2016. EPA will be taking comment on the FIP for 90 days after publication in the Federal Register.

“CLEAN ENERGY INCENTIVE PROGRAM”

The final rule establishes a “Clean Energy Incentive Program” (CEIP), a “matching fund” program designed to incentivize early expansion of renewable energy and energy efficiency in low-income communities. Under the program, EPA will give credits for electricity generated from wind and solar and double credits for driving energy savings in low-income communities in 2020 and 2021 (up to an amount equal to the equivalent of 300 million short tons of carbon pollution), provided that those projects or programs begin construction or deployment after the date that states submit their final plans, or if the state does not submit a plan, after September 6, 2018. EPA is accepting comments on several aspects related to the design and implementation of the CEIP and will finalize the details of the CEIP in the coming months.

THE TIME IS NOW - A CLEAN ENERGY ECONOMY AWAITS

The Clean Power Plan represents an incredible opportunity to transition our electric sector to clean, renewable energy, but it will not solve the climate crisis alone. To meet our international commitments and avoid the worst effects of climate change, we must move to 100% clean energy. The regulation of power plants is not the only tool available to the President to meet our nation’s global commitment. Investments in industrial and commercial energy efficiency; fuel economy standards for cars, trucks, airplanes and heavy-duty vehicles; and methane pollution regulation will also help keep the United States on track to reach its goal of reducing emissions to 17 percent below 2005 levels by 2020 and 28 percent below 2005 levels by 2025. President Obama’s Climate Action Plan is important for reaching the larger climate goal, which is why we are also pushing for implementation of the remaining pieces of the Administration’s plan. The Clean Power Plan and all these other initiatives will help ensure a strong and robust agreement in the upcoming international climate negotiations. We can and we must lead the world to act on climate.