



Key House members ask OMB to withdraw EPA's proposed rule on greenhouse gas emissions from utilities

House Energy and Commerce Committee Republican leaders have asked the Office of Management and Budget to withdraw the Environmental Protection Agency's pending New Source Performance Standard for greenhouse gas emissions from electric utilities. In a Feb. 1 letter, Committee Chairman Fred Upton, R-Mich., Chairman Emeritus Joe Barton, R-Texas, and Energy and Power Subcommittee Chairman Ed Whitfield, R-Ky., said the proposed rule threatens to impose additional energy costs on a struggling American economy.

The House members voiced concern that EPA may propose standards for new and modified coal-fired power plants that could only be achieved through the use of costly technologies such as carbon capture and sequestration. "Further increasing electricity costs by requiring commercially unproven technologies, or forcing a transition away from coal will send thousands more U.S. jobs overseas at a time when the nation can least afford it," they said. EPA "may be seeking to do precisely what Congress and the American public rejected in the last Congress," they said.

OMB is currently reviewing the proposed rule. EPA is expected to formally propose the rule this month.

Source: APPA *Public Power Daily* (Feb. 3, 2012)

Mild temperatures reduce electricity sales for TVA

The Tennessee Valley Authority said a mild winter so far has reduced electricity sales by 5 percent in the first quarter of the fiscal year and will cause the utility to reconsider expenditures for the rest of the year.

The utility said in a news release that its first quarterly report to the Securities and Exchange Commission shows that total revenue declined by 9 percent or \$260 million for the quarter ended Dec. 31 compared with the same period last year.

"Weather fluctuations are not something new for TVA, but these uncontrollable conditions impact TVA's financial results," Chief Financial Officer John Thomas said. "TVA can, however, make adjustments in its operations to mitigate some of the impact of lower sales results."

"We are currently in the process of evaluating planned expenditures for 2012 to determine if certain programs should be revised and are considering other productivity enhancements."

The milder weather had a more significant impact on electricity sales to TVA's municipal and cooperative distributors than industrial customers, as electricity usage is typically more temperature-driven for residential customers, the agency said in a statement. Sales to local utilities declined 6 percent, while sales to directly served industrial customers were down 1 percent.

TVA said total revenue declined 9 percent, or \$260 million, to \$2.6 billion in the first quarter of 2012 compared with the same period last year. The decline was driven primarily by a \$102 million decrease in revenues from the recovery of fuel costs and a \$100 million decrease resulting from lower sales volume due to milder weather.

Temperatures in the first quarter were warmer than normal in the Tennessee Valley, in sharp contrast to the previous year when temperatures were well below normal - December 2010, in fact, was the fifth coldest on record in the Tennessee Valley.

Source: *The Huntsville Times*

House lawmakers want EPA to estimate total costs of utility MACT rule

Members of the House Energy and Commerce Committee want the Environmental Protection Agency to estimate the total cost of the EPA's rule requiring maximum achievable control technology for mercury and other hazardous air pollutants from power plants. The final rule, known as the "utility MACT" rule, was issued in late December.

"President Obama's Executive Order 13563 requires that EPA make available to the public the assessment of the costs anticipated from the regulatory action, such as the direct cost to businesses and others in complying with the regulation, as well as the underlying analysis," the lawmakers said in a Jan. 24 letter to EPA Administrator Lisa Jackson. A document EPA published in December, called the "Regulatory Impact Analysis for the Final Mercury and Air Toxics Standards," does not provide a total cost of the regulation, the committee members said. The analysis provides "only a share of those costs assigned to three select years from costs that are amortized over 30 to 40 years."

Also, "because it is our understanding that EPA in its utility MACT cost estimate assumed that the Cross-State Air Pollution Rule would already be in effect, we request that you provide an assessment of the impact of the recent court decision to stay implementation of CSAPR on the cost estimate," the lawmakers said in their letter to Jackson.

The utility MACT rule "is expected to be the most expensive rule the agency has ever imposed on our nation's power sector," the Energy and Commerce Committee said on its website. EPA's estimates "do not provide the total 'sticker price' of the rule, but only a share of those costs assigned to three select years: \$9.4 billion in 2015, \$8.6 billion in 2020, and \$7.4 billion in 2030. EPA documentation states that annualized estimates assume utilities would take 30 to 40 years to pay off compliance costs."

Source: APPA *Public Power Daily* (Jan. 31, 2012)

Energy efficiency is the right track for clean air

A new report by the American Council for an Energy-Efficient Economy (ACEEE) reveals how energy efficiency can be used by states, policymakers, and utilities developing compliance strategies to meet the goals of federal air regulations. As mandated under the Clean Air Act, a suite of upcoming air regulations will impose limits on the emissions of multiple air pollutants. The report, entitled *Energy Efficiency: The Slip Switch to a New Track Toward Compliance with Federal Air Regulations*, maps opportunities in these new regulations where energy efficiency can be used as a compliance tool.

"Although energy efficiency is our cheapest, cleanest, and quickest energy resource, it has often been ignored as a strategy for compliance with air regulations. But now the political, economic, and regulatory environments have aligned. We are on the threshold of a unique opportunity, a tipping point for energy efficiency," said Sara Hayes, ACEEE Senior Policy Analyst and lead author of the report.

"We selected major opportunities where energy efficiency can have a big impact. We unearthed a collection of good stories about what has already been tried and we found that there are some very promising opportunities. Energy efficiency can play a major role in regulations like the Cross-State Air Pollution Rule (CSAPR), the National Ambient Air Quality Standards (NAAQS), and multiple federal permitting rules," said Rachel Young, Research Analyst ACEEE and coauthor of the report.

This report is the second in the "Path to Compliance" series by ACEEE that outlines a track for the U.S. to transition to a cleaner, more reliable energy future.

The first paper in this series, *Avoiding a Train Wreck: Replacing Old Coal Plants with Energy Efficiency* (<http://www.aceee.org/white-paper/avoiding-a-train-wreck>), explains that energy efficiency is a low-cost approach to reducing air pollution. The analysis shows that energy efficiency can be deployed much more quickly than a new power plant can be constructed and explains how energy efficiency is America's greatest untapped energy resource with massive potential.

"In our current economic climate, states and utilities need a cost-effective solution to reducing pollution, complying with EPA regulations, and maintaining reliable electricity for customers. The recommendations in this report will help to reduce emissions at the lowest cost," said Steven Nadel, Executive Director of ACEEE.

Source: *Energy Central Daily* (Feb. 1, 2012)

Weatherization Assistance Program ranked as second highest Recovery Act job creator

The U.S. Department of Energy's low-income Weatherization Assistance Program (WAP) created or retained more than 13,000 jobs in the fourth quarter of 2011, ranking second out of approximately 200 federal programs funded by the American Recovery and Reinvestment Act of 2009 (Recovery Act).

Weatherization-related jobs employ highly trained, skilled technicians who install a wide variety of energy efficiency measures that encompass the building envelope, its heating and cooling systems, its electrical system, and electricity consuming appliances in low-income homes.

WAP has consistently ranked in the top ten for Recovery Act job creation and retention since tracking began in 2010. The Recovery Act granted \$5 billion to the WAP network and the program reached a milestone in December 2011 by completing 600,000 weatherization upgrades three months ahead of the March 2012 target date. Nationwide, the weatherization of these 600,000 homes saved more than an estimated \$320 million in energy costs in just the first year.

Congress appropriated \$68 million to WAP for 2012, far below the level required to sustain this newly trained weatherization workforce. This will force State and local agencies to lay off skilled workers and increase the ranks of the unemployed.

"To ensure the continued delivery of high-quality services to homes nationwide, Congress and the President must deliver adequate funds to the WAP. The program effectively reduces energy consumption in homes by up to 35 percent, saving families more than \$400 on their heating and cooling bills in the first year alone," said Steve Payne. Payne is a State administrator of WAP for the state of Washington and the President of the National Association for State Community Services Programs (NASCSPP).

Weatherization works, both for the low-income families served and as a sound government investment towards America's economic and energy security. As President Obama said in his State of the Union address on January 24, "The easiest way to save money is to waste less energy." WAP provides significant energy savings for its recipients, employs skilled workers, and makes America's homes more energy efficient and less dependent on foreign oil.

Source: *Energy Central Daily* (Feb. 1, 2012)