References associated with Clean Air Task Force presentation before the Office of Management and Budget regarding the Clean Power Plan on June 23, 2015.

EPA's proposed reduced utilization and mass based compliance BSER is more defensible and avoids gaming and leakage.

- Comment submitted by Ann Brewster Weeks, Legal Director et al., Clean Air Task Force (CATF), Doc. No. EPA-HQ-OAR-2013-0602-22612 at 13-15 (Dec. 1, 2014) (hereinafter "CATF Comments").
- Comment submitted by Arik Levinson, Professor of Economics, Georgetown University, Doc. No. EPA-HQ-OAR-2013-0602-14447 (Aug 9, 2014).
- William F. Pedersen, *Does EPA's § 111(d) Proposal Rely on an Unprecedented and Legally Forbidden Approach to Emission Reduction?* 45 ELR 10278 (Apr. 2015).

Expand Building Block 1 to Include All Unit Specific Measures

- As currently configured by EPA, building block 1 is solely focused on HRI. However, HRI is just one element of a larger group of measures we refer to as Unit Specific Measures – those control options that can be applied directly to an affected source to reduce CO_2 emissions, including (in addition to HRI), retrofit carbon capture and sequestration ("CCS"), CATF Comments at 36-56, natural gas co-firing in coal units, and affected unit retirements, CATF Comments at 22-24.
- Retrofit CCS also is available as an implementation strategy in some states. CATF Comments at 36-56 (discussing modeling results).

Coal unit retirements should be taken into account when setting targets to avoid crediting "anyway" tons.

- The Clean Power Plan is based on a 2012 baseline but the affected facilities continue to retire. The final rule should reflect the most up-to-date unit retirements. CATF Comments at 33-36.
    - Recent information from EIA indicates that most generator retirements are coal-fired units, with nearly 13 GW expected to be retired in 2015. U.S. EIA, *Scheduled 2014 capacity additions mostly wind and natural gas, retirements mostly coal* (Mar. 10, 2015) http://www.eia.gov/todayinenergy/detail.cfm?id=20292.

Treatment of New Gas

- EPA must include construction and operation of new NGCCs in building block 3 of the BSER because it is adequately demonstrated and its costs are not exorbitant. CATF Comments at 97-103.
- EPAs should commit to periodically updating the Clean Power Plan as the 111(b) rule for EGU GHGs is updated, folding NGCC plants constructed since January 2014 into the CAA § 111(d) source category, thereby reducing system leakage. CATF Comments at 116-118.

Biomass co-firing is not a best system of emission reduction because it leads to emissions increases at the affected sources. CATF Comments at 79-97; Letter to OMB from Environmental Organization, (June 23, 2015) http://www.pfpi.net/wp-content/uploads/2015/06/Groups-bioenergy-letter-to-OMB-6-23-15.pdf.

Facilitate state choice of mass goals rather than rate goals. This will help assure estimated emission reductions will be achieved (without leakage or unintended consequences) and compliance will be achieved in a least-cost manner. Comment submitted by Severin Borenstein, University of California Berkeley et al., Doc. No. EPA-HQ-OAR-2013-0602-23103 (Dec. 1, 2014). This should be done in at least three ways:

- Prescribe the methodology states use to translate rate goals into mass goals or simply issue presumptive mass goals. Given the wide range of methodologies that could be used by states to translate rate goals into mass goals, allowing states to choose their own translation methodologies is tantamount to allowing them to choose their own rate goals and could reduce the rule's emission reductions by 25 to 35 percent. CATF Comments at 103 – 115; Bruce Phillips and Iain Kaplan, NorthBridge, *Translating Emission Rate Goals to Mass Goals Under the Clean Power Plan* (Dec. 1, 2014) http://www.nbgroup.com/publications/NorthBridge_Mass_Translation_Whitepaper_12-1-2014.pdf.
- Retain the EPA's proposed requirement that EGUs in states with rate programs wanting to trade credits across state lines meet a weighted average CO2 emission rate (i.e., "blend" or "merge" their rate goals). 79 Fed. Reg. at 34,911-12. Relaxing this requirement would increase emissions and electric production costs by providing incentives for high emission generation in states with lenient state emission rate targets to run before lower-emitting generation resources in states with standards with stringent state emission rate targets. Comment submitted by Daniel A. Lashof, David Weiskopf and Devi Glick, NextGen Climate America, Doc. No EPA-HQ-OAR-2013-0602-23963 (Dec. 1, 2014).
- Require state implementation milestones and corrective action requirements to reflect the relatively higher compliance uncertainty for rate-based compliance programs and lower uncertainty for mass-based programs. This will help ensure that states adopting rate goals achieve the estimated emission reductions and facilitate state choice of mass goals. CATF Comments at 103-115.

Facilitate inter-state trading between states adopting mass goals:
Provide clarifying guidance explicitly acknowledging that affected sources in states choosing mass-based compliance may trade credits on a bilateral basis without those states joining or developing an interstate "compact" or making a joint plan submittal as long as those state plans meet certain minimal compatibility criteria such as compliance periods, banking and borrowing provisions, and price caps. EPA should also offer to track credits and trade if requested by states. This will facilitate low cost compliance by states and help ensure electric system reliability is maintained. Comment submitted by Kelly Speakes-Backman, Chair, Regional Greenhouse Gas Initiative (RGGI) at 9-10, Doc no. EPA-HQ-OAR-2013-0602-22395 (Nov. 5, 2014); Comment submitted by Severin Borenstein, University of California Berkeley et al., Doc. No. EPA-HQ-OAR-2013-0602-23103 (Dec. 1, 2014); Comment submitted by Dirk Forrister, President and CEO, International Emissions Trading Association (IETA), Doc. No. EPA-HQ-OAR-2013-0602-23993 (Dec. 1, 2014). Comment submitted by The Midwestern Power Sector Collaborative, Doc. No. EPA-HQ-OAR-2013-0602-23564 (Dec. 1, 2014).