

Summary of U.S. Comments on Canadian Energy Imports under EPA's Clean Power Plan (CPP)¹

Updated by the Canadian Electricity Association (January 22, 2015)

#	Organization	Proposal or Supplemental ²	Key Messages
1	ALLETE/Minnesota Power	Proposal	<ul style="list-style-type: none"> EPA should fully credit imported Canadian hydroelectricity towards achieving CPP compliance when it can be demonstrated that the environmental attributes of the hydroelectricity is not being double counted. Canadian Hydro PPAs should be included and credited towards Minnesota compliance with EPA's Clean Power Plan.
2	American Public Power Association	Proposal	<ul style="list-style-type: none"> Imports of all non-CO₂ emitting sources imported from Canada should be eligible for compliance in a state plan. EPA's final rule should address this issue in a manner that recognizes the interconnected nature of the North American grid and that is consistent with U.S.-Canadian trade policies under GATT and NAFTA.
3	Berkshire Hathaway Energy	Proposal	<ul style="list-style-type: none"> Berkshire Hathaway Energy believes renewables and other non-carbon energy sources play an important role in reducing emissions from the electricity sector. The misalignment in EPA's proposal between the renewable generation reflected in a state's goal setting calculation and the renewable generation available for compliance with the emission goals must be corrected. The ongoing operation and continued development of North American non-carbon generation will be an important compliance tool in state plans to achieve emission reductions.
4	Center for Climate & Energy Solutions	Supplemental	<ul style="list-style-type: none"> Renewable generation, including hydropower, imported to the United States should be treated similarly to such generation within the United States by the CPP. We do not recommend that the potential for increasing imports be factored into states' target emission rates, regardless of how imports are treated for compliance purposes in the final rule.
5	Clean Air Task Force	Supplemental	<ul style="list-style-type: none"> International electricity flows must be recognized. If a jurisdiction relies on international zero-carbon energy, that must be included in calculating the jurisdiction's CO₂ emissions

¹ The table does not reflect an exhaustive review of all public comments filed. CEA plans to update this table, as its review of the comment record continues.

² Denotes whether the organization filed comments on the EPA's original June 2014 proposal or the agency's November 2014 supplemental.

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6	Edison Electric Institute	Proposal	<ul style="list-style-type: none"> • The proposed guidelines also fail to recognize the value of new and imported hydropower – particularly hydropower imported from Canada – in providing affordable, zero-emissions power in certain regions of the country. • Allowing the use of imported hydropower could help states expand their use of other forms of renewable generation, helping to meet EPA’s goals of both reducing CO₂ emissions and increasing the use of renewable energy and other zero-emitting sources. • If states are able to use hydropower for compliance, this should include imported hydropower, assuming that there is no international double counting.
7	Integrus/Wisconsin Public Service	Supplemental	<ul style="list-style-type: none"> • New Canadian Hydro must be allowed in compliance plans.
8	Minnesota Large Industrial Group	Proposal	<ul style="list-style-type: none"> • EPA has not been clear on the role of hydropower in counting toward state compliance with the goals. However, because such hydropower is carbon free and will further reduce the need for new coal power, it should count toward compliance with Minnesota’s goal. • For example, Minnesota Power is planning on bringing a significant amount of new hydropower from Canada to its generation mix in the next decade...Minnesota and its ratepayers should receive compliance credit for such expenditures.
9	Natural Resources Defense Council	Supplemental	<ul style="list-style-type: none"> • EPA should allow inclusion of such new resources only if the following conditions are met: 1) the new international resources used for crediting will result in reduced emissions from fossil-fuel generation in the United States and 2) the international resources are not double-counted as a non-emitting or low-emitting resource for a regulatory obligation of both the source country and Clean Power Plan compliance. • EPA should similarly ensure that generation shifts across our borders does not allow power plants in the U.S. to comply with the Clean Power Plan without actually achieving the anticipated reduction in carbon pollution.
10	New York ISO	Supplemental	<ul style="list-style-type: none"> • NYISO strongly supports allowing states to meet their Clean Power Plan goals by acquiring qualifying low- or non-emitting electricity generated in a neighboring country and imported into the state. • The interconnectedness of the bulk electricity system and wholesale markets extends to Canada, and Canadian imports should be equally recognized as Clean Power Plan compliance options. • The EPA should only require that states demonstrate the displacement of fossil-fuel fired generating units by international resources to the extent that they must demonstrate displacement of in-state resources.

11	Sempra Energy	Supplemental	<ul style="list-style-type: none"> • Given the interconnectivity of the electric grids and the availability of substantial border-region renewable resources, we encourage the EPA to explicitly allow states to count renewable energy that is directly imported from neighboring countries toward those state's [sic] Clean Power Plan emission targets. • Cross-border trade in electricity enables states to gain access to a more diversified portfolio of renewable resources, produced over a wider geographic area, so as to partially mitigate this issue [variability of renewable output introducing instability into the electricity system]. • Allowing cross-border renewables to count toward the emissions target outlined in the Clean Power Plan also supports President Obama's goal of expanded renewable energy development.
12	Sierra Club & Earthjustice	Supplemental	<ul style="list-style-type: none"> • New renewable energy resources in foreign countries, such as Canada, which are interconnected to the U.S. bulk power system, should be able to count towards the compliance of a U.S. jurisdiction with affected EGUs. • Generation from any renewable energy resource existing as of the date of the proposed rule cannot count towards compliance. EPA...has made clear that states will not be able to take renewable energy credit for existing hydropower. The same restriction must apply to imported hydropower.
13	State of Connecticut (Department of Energy & Environmental Protection)	Proposal	<ul style="list-style-type: none"> • Through an RPS approach, renewable resources are incentivized to build at the most economically and technically feasible location within the borders of the defined RPS market – borders that generally correspond to the regional grid in which the state operates (or often neighboring regions) rather than aligning with individual state boundaries. • Several ISO-NE states allow RE from New York and Canada be certified as RPS eligible in their states. In Connecticut, as of October 2013, 6 wind and 2 landfill gas facilities from Canada...were certified as RPS eligible. In 2010...one percent of Connecticut's Class I RPS came from...Canada.
14	State of Maine (Department of Environmental Protection)	Proposal	<ul style="list-style-type: none"> • The proposed rule has no clear statement allowing the use of internationally imported zero-carbon electricity as a compliance mechanism. EPA must clearly state that this is allowed.
15	State of Michigan (Department of Environmental Quality, Public Service Commission, Economic Development Corporation)	Supplemental	<ul style="list-style-type: none"> • The final rule should reflect and acknowledge international trading of electricity, as well as allow for the purchase of RE credits from other nations such as Canada. • Allowing international trading of low or non-emitting electricity generation to count toward meeting our state's emission reduction goal would encourage Michigan to continue to build upon progress already made in offsetting fossil fuel-fired generation with cleaner RE alternatives.

16	State of Minnesota (Department of Commerce, Pollution Control Agency)	Proposal	<ul style="list-style-type: none"> • Minnesota utilities have entered into agreements to deliver Canadian hydroelectric power as a significant part of their resource mix. • Minnesota recommends that EPA affirmatively state that hydroelectric power installed nationally and internationally post-2012 may be included in a state's plan.
17	State of Wisconsin (Department of Natural Resources, Public Service Commission)	Proposal	<ul style="list-style-type: none"> • EPA should allow the use of RE purchased from other countries for compliance with the regulation provided this RE meets all of the other requirements on RE used for compliance with this rule. • There is large potential for expansion of wind and hydropower capacity in Canada, particularly in Manitoba, that provides additional RE resources to nearby U.S. states. If EPA does not allow this cross-border RE to count towards compliance, these carbon-free resources may go undeveloped.
18	Utility Air Regulatory Group	Proposal	<ul style="list-style-type: none"> • EPA has failed to account for the electricity that the U.S. imports from non-emitting sources in Canada. If the Proposed Guidelines do not recognize the benefit provided by this imported power, the rule could be construed as an unlawful trade barrier.
19	WIRES	Proposal	<ul style="list-style-type: none"> • Many stakeholders are uncertain if renewable generation imported from other states or Canada can count toward 111(d) compliance. • Clear accounting rules to award credit to the appropriate parties for emissions reductions associated with renewable energy should be established.
20	Wisconsin Manufacturers & Commerce, Wisconsin Paper Council, Wisconsin Industrial Energy Group, Midwest Food Processors Association, Wisconsin Cast Metals Association	Proposal	<ul style="list-style-type: none"> • EPA's allowance of out-of-state renewable generation to meet in-state goals should be supported by Wisconsin as a least-cost market-based compliance mechanism. • Wisconsin's RPS allows out-of-state renewable generation for compliance, and any state plan with least cost as a compliance goal should allow out-of-state and out-of-country renewable generation.
21	Wisconsin Utilities Association, Wisconsin Electric Cooperative Association, Municipal Electric Utilities of Wisconsin	Proposal	<ul style="list-style-type: none"> • EPA should clarify that any qualifying hydro measure (incremental or new capacity) is eligible for compliance credit whether the dam in question is in or outside the United States, as long as the hydro MWh are not counted in another state's 111(d) plan.
22	Xcel Energy	Supplemental	<ul style="list-style-type: none"> • Clarifying that qualifying hydro is eligible for compliance if located in Canada will allow utilities to make more cost-effective decisions to reduce carbon dioxide emissions. • [Double counting of Canadian hydro] can be avoided either through PPA provisions that establish clear and unique ownership of the environmental attributes of purchased generation, or through Renewable Energy Credit (REC) tracking on established registries.