

NEWS RELEASE
MONTANA PUBLIC SERVICE COMMISSION

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PSC Opposes Proposed Greenhouse Gas Regulations

HELENA -The Montana Public Service Commission (PSC) recently went on record opposing a federal agency's proposed rules to restrict greenhouse gas emissions for new power plants, particularly coal-fired generators.

In a two-page letter to the U.S. Environmental Protection Agency (EPA), the five-member Commission said the rules would make it impracticable to construct any new coal-fired electrical generation in the United States.

The Commissioners unanimously urged withdrawal of the EPA's proposed rules for New Source Performance Standards (NSPS).

"As members of the regulatory body responsible for ensuring that Montanans have access to a safe, reliable, and affordable energy supply, we have grave concerns about your agency's proposed rules..." the Commission's April 23 letter states in part.

The EPA recently delayed issuance of the draft rules, proposed in March 2012 as the nation's first carbon pollution standards for new power plants under the Clean Air Act. The rules would limit carbon dioxide emissions from new power plants to 1,000 pounds per megawatt-hour of electricity. Existing plants and new generators permitted to begin construction in the next year are exempt.

The federal agency believes new natural gas combined-cycle power plants would meet the draft standard, as would most existing natural gas plants. The Montana Commission has concerns, however, that the new rules would stifle efforts to improve coal technology.

"Considerable progress has been made to making coal-fired generation more efficient and cleaner. Incremental progress is important, and a total transformation of coal-fired technology cannot be achieved overnight," the Commission's letter states. "By establishing standards such as those envisioned by the NSPS, we worry that virtually all investment in further refining coal technologies will evaporate."

Commissioner Travis Kavulla, R-Great Falls, brought the work session to the Commission seeking a unanimous response to the EPA. He observed that Montana's coal reserves could either be used in the United States, or be shipped abroad, and that the EPA rule seemed to limit coal's options exclusively to the latter.

"We hear all the time that we need an all-of-the-above energy policy. The EPA's proposed rule is in direct contradiction of that principle," Kavulla said.

Commissioners called the EPA rule "unworkable," saying it fails to account for variations in types of coal, coal plants and their emissions profiles.

While Montanans have benefited from low commodity costs during a national surge in natural gas production, with both job creation and low energy bills, Commissioners urged against reliance on a single energy source.

The Commission noted that Montana has among the largest coal reserves in the country and said the proposed rules would be a bane for the state.

"The Montana Public Service Commission remains unconvinced that any additional regulation in this area is necessary, and would urge that the proposed rule be withdrawn at this time."

For more information, visit psc.mt.gov or contact PSC Communications/Research Director Justin Post at (406) 444-6171. Follow the PSC at [Twitter.com/@MT_PSC](https://twitter.com/MT_PSC) or visit [Facebook.com/MontanaPSC](https://facebook.com/MontanaPSC).