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Public Service Commission Raises Concerns with EPA's Clean Power Plan

HELENA, Mont. –August 3, 2015– In response to the release Monday of the EPA's finalized version of the Clean Power Plan, a rule to regulate carbon emissions from power plants, the Montana Public Service Commission raised several concerns as to the plan's practicality and effectiveness, as well the negative impact it will have on the state's economy. Speaking to the Commission's concerns, Chairman Brad Johnson, R-Helena, said,

“The federal government is again asking Montanans to pay the price for its continued onslaught of centralized regulatory schemes. Not only will this rule destroy thousands of quality jobs in Montana's coal industry, the double digit increase in electricity rates that will likely result constitute nothing less than a new tax on energy, and there is no tax that places a more disproportionate burden on middle and lower income Montanans than a tax on energy. I will be encouraging the Commission to explore every option available to us to effectively push back against this blatant federal overreach.”

Addressing the practicality of the rule's implementation, Vice Chairman Travis Kavulla, R-Great Falls, said,

“The EPA has taken a proposal that was difficult and expensive for Montana, and has made it much worse.”

The Commission continues to evaluate the 1560 page regulation. However, it is particularly concerned with several elements on the proposed rule:

- The final rule is much more stringent than the proposed rule. The EPA reports that, in 2012, the average emissions rates for Montana's power plants was 2,481 pounds of CO₂ per megawatt-hour. The proposed rule set a state emissions mandate of 1,771. That number in the final rule is 1,305, or an emissions rate reduction of 47%.
- The rule plays favorites with states. The State of Washington, for instance, is allowed to *increase* its carbon emissions by 46%, even while Montana is required to cut its emissions.

“The Clean Power Plan is yet another example of top-down regulations from Washington, DC that fail to take into account the specific circumstances of individual states,” said commissioner Bob Lake, R-Hamilton. “In addition to destroying one of the base industries in our state's economy, the EPA's rule also punishes energy exporting states like Montana by forcing them to pay the

price for emissions created by another state's energy demand. The EPA's Clean Power Plan is terrible public policy that will result in significant increases to residential electricity rates."

District 3 commissioner Roger Koopman, R-Bozeman, believes the time has come for Montana to take the lead in resisting what he terms "blind-sighted federal overreach."

"Obama's EPA has become a rogue agency that thinks it can ramrod anything it wants down the throats of the states, as if executive agencies somehow have unlimited power and the Constitution is irrelevant. These latest rules -- more draconian than ever -- could eventually double the cost of electricity in America, crippling our economy and giving a major competitive edge to countries like China. All of this is based on the scientifically dubious claims of climatic catastrophe, and the hysterical voices of opportunistic politicians that drown out the calmer call for a reasonable and rational debate," Koopman said.

The Commission had previously submitted a lengthy set of comments to the EPA on its proposed rule, identifying technical problems with the way the state goals had been calculated. "The EPA has done almost nothing to correct the problems we identified," said Kavulla.

"Moving forward, the PSC hopes to work with Montana's governor, attorney-general, and legislature in deciding how the state should respond to the regulation," said Chairman Johnson.

To view the Clean Power Plan, visit: <http://1.usa.gov/1lf7nt2>

To view Montana's state specific fact sheet for the final version of the Clean Power Plan, visit <http://1.usa.gov/1P17Stf>

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