

EPA's CO2 Rules Old-Hat for California

Gretchen Weber, KQED (San Francisco television), 12-31-10

A much-hyped EPA ruling to regulate greenhouse gases in 2011 doesn't really change much for California.

A lot's being made of the move by the federal Environmental Protection Agency's move to start regulating greenhouse gases in the new year, but policy analysts are greeting it as a relative non-event in states like California (and Massachusetts), which are already moving ahead with their own carbon regulation strategies.

"It's really a complement to what we're doing with AB 32," said California Air Resources Board spokeswoman Gennet Paauwe.

The EPA is acting in response to a 2007 US Supreme Court finding that greenhouse gases fall under the jurisdiction of the Clean Air Act, and therefore are subject to regulation by the federal agency.

Critics of the EPA's move, such as incoming House Energy Chair Fred Upton (R-Mich), say it's a job-killer that will hurt domestic energy production. Other members of Congress, like California's Barbara Boxer, support the EPA's action.

The new regulations will affect power plants and refineries, which together produce about 40% of all carbon dioxide emissions in the United States. Starting January 2, industry will be required to consider new technologies and implement measures to mitigate greenhouse gas pollution for approval of new facilities and "major modifications" to existing ones.

"This is about taking a look at what technologies are available that can cost-effectively achieve reductions in greenhouse gases," EPA assistant administrator Gina McCarthy told reporters in a recent conference call. "We set the standards, and the industry themselves figure out the most cost-effective ways to achieve those standards," she said.

Vicki Patton, deputy general counsel for the Washington-based Environmental Defense Fund, says a similar process is already in place for monitoring many other pollutants, and the new ruling simply adds greenhouse gases to the list.

Existing power plants and refineries will have to address greenhouse gas emissions, too, but not for at least a year. Draft standards (providing details of the new rules) aren't expected for power plants until July 2011, and December for refineries. The agency says those standards won't be finalized until mid-to-late 2012 after a long period of public comment. By that time California's cap & trade plan under AB 32 will be up and running, barring any legal delays.

The EPA says it will be up to each state to devise its own plans for implementing the standards. And that's where much of the uncertainty lies. Texas has already refused to cooperate and sued unsuccessfully to stay the EPA ruling, long before the draft standards have been released or any formal process has been established for implementation.

"We're really early stage," said McCarthy. "I can't tell you what types of reductions we hope to achieve. That's all going to be driven by the technologies that come to our attention through the public comment period."

Patton says that despite that state's high profile objections, most states are on board with the federal process.

"Virtually every state in our country has rolled up its sleeves, prepared for this transition, and is ready to begin carrying out these protections to address global warming pollution, except for Texas," she said.

Patton said that states like California, which has been a pioneer in both new technologies and in emissions regulation, will have "an important voice" as the standards are being developed.

"In the absence of an effective price on carbon or other incentives for industrial plants to choose clean technology, this is very important and useful tool to help the transition to clean energy and industry in California," said CARB's Paauwe. But once the AB 32 program is in motion, she said, this regulation could be redundant, as CARB hopes that the state cap and trade program as well as other market incentives will motivate firms to install the cleanest technologies on their own.

At that time, she said, "We can look at whether a separate clean technology process is necessary."