



Finding the ways that work

## NEWS RELEASE

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### **New EPA Guidance Will Help Companies, States Find Cost Savings under Greenhouse Gas Permits**

(Washington, D.C. – November 10, 2010) The U.S. Environmental Protection Agency (EPA) today [released new guidance](#) that will help companies and states find and implement cost-saving energy efficiency measures as they begin the permitting process for the largest sources of greenhouse gas emissions.

“Energy efficiency is one of the best ways to reduce pollution and save money, particularly in the manufacturing sector,” said [Mark MacLeod](#), director of special projects at Environmental Defense Fund (EDF) and co-chair of EPA’s Climate Change Work Group.

“Today’s guidance will prepare companies for the permitting process and help them find ways to cut pollution while saving money for themselves and their customers,” MacLeod added.

EPA’s action is required as part of the Clean Air Act mandate to protect human health and the environment from harmful air pollution. Only the largest emitters will be subject to the requirement to implement the best available measures to mitigate greenhouse gas emissions in accordance with the guidance.

In the first phase of the program, from January 2, 2011 to June 30, 2011, large industrial sources proposing to construct or modernize facilities will be required to cost-effectively mitigate greenhouse gas pollution if the source would already be regulated due to other air pollution levels and if the source would discharge 75,000 tons of carbon dioxide equivalent or more annually. Beginning July 1, 2011, large industrial sources annually emitting 100,000 tons of carbon dioxide equivalent or more will be subject to pre-construction review permitting.

The [guidance released today](#) helps states and the regulated community to carry out the permitting program. Under the law, the determination of what constitutes the best available measures to mitigate greenhouse gas pollution is determined on a case-by-case basis by state permitting agencies considering energy, environmental and economic impacts.

The guidance, which is accompanied by a set of industry-specific white papers, was informed by a collaborative, multi-stakeholder process set up under [EPA’s Clean Air Act Advisory Committee \(CAAAC\)](#). In fall of 2009, EPA asked the CAAAC to establish a [Climate Change Work Group](#) to offer recommendations for permitting the very largest sources of greenhouse gas emissions and the application of best available control technology for those sources.

The Work Group included representation from a variety of manufacturing industries, electric utilities, state and local permitting authorities, and environmental organizations. The Work Group completed work on its first set of recommendations in February 2010, and on its second set of recommendations in July 2010.

Numerous States and major power companies are prepared to begin implementing measures addressing greenhouse gas pollution, as evidenced by the following:

"[T]hese companies believe that EPA regulation of GHG emissions under the Clean Air Act can be an important first step in reversing the current trend of increasing GHG emissions. Further, these companies support EPA's implementation of reasonable regulations governing GHG emissions from the electric sector under the Clean Air Act."

-- *Calpine Corporation, Exelon Corporation, National Grid, New York Power Authority, NextEra Energy, PG&E Corporation and Seattle City Light, in a joint October 2010 legal declaration*

"Calpine is committed to working with EPA and states to ensure that consideration of GHGs can proceed without disruption of the permitting process .. [Calpine] agreed to undertake a voluntary Best Available Control Technology (BACT) review for GHG emissions" at a proposed new fossil fuel power plant.

-- *Thad Miller, Calpine Corporation's Executive Vice President and Chief Legal Officer, in an October 2010 legal declaration. Calpine operates 93 power plants that are capable of delivering nearly 29,000 megawatts of clean, reliable electricity to customers and communities.*

Efforts to block EPA's programs could "delay investments in small businesses that would be important sources of innovation."

-- *The Small Business Majority, in an October 2010 legal declaration*

"With the onset of greenhouse gas (GHG) permitting only two months away, every state but one is poised to ensure that sources can obtain preconstruction permits under the Clean Air Act come January 2, 2011."

-- *The National Association of Clean Air Agencies, in their October 28, 2010 analysis examining the readiness of permit programs nationwide*

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