

# ELCON PRESS RELEASE

FOR RELEASE: December 1, 2014

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## Statement of John Anderson, President of the Electricity Consumers Resource Council (ELCON), on December 1, 2014, When Comments on the “111(d) rule” are Due at EPA

Today is the day we have all been waiting for. Since EPA first published its Clean Power Plan to reduce carbon emissions from existing power generators in May, lawyers and lobbyists in Washington and around the country have been working at breakneck speed to prepare comments on that proposal. In a way, this is all positive – it is an example of participatory democracy.

As a consumer advocate representing large industrial users of electricity, I can state unequivocally that America’s manufacturing base is concerned about this proposal for at least three reasons.

First is the reliability issue. No one knows for sure how the mandated reduced carbon emissions, and the increased use of intermittent generation which is primarily from wind and solar, will affect the reliability of our interstate grid. But we know that the grid will be tested. And we also know that NERC, the entity charged with maintaining a reliable grid, studied the potential impact and cited six reasons why, in NERC’s words, the Clean Power Plan, if implemented, “will require additional reliability consideration.” America’s manufacturers rely on a reliable grid – NERC’s study, to say the least, is worrisome.

Second is the cost issue. EPA says that the cost of electricity will go down. It bases this projection on increased energy efficiency and decreased demand for power. What EPA has also said – but, cleverly, not very often or very loudly – is that rates will likely go up. America’s industrial base, with many facilities operating on a 24/7 basis, has already made substantial investments in energy efficiency. We fear higher rates. We see studies like the one done by Energy Ventures Analysis estimating that “the US industrial sector would be affected most severely, as its total cost of electricity and natural gas would approach \$200 billion in 2020, a 92% increase from 2012” and we shudder. Or perhaps I should say shutter, because that is what will happen to many factories and other industrial sites.

And the third issue is cogeneration. Many industrial facilities produce some or all of the power they need on-site. Cogeneration, also known as combined heat and power or CHP, is far more efficient than conventional generation, as it uses the same fuel source two or sometimes three times. Yet the Clean Power Plan will regulate some of the largest and most efficient cogeneration facilities in the same way they regulate utility generators. We believe that CHP units are part of the solution, not part of the problem, and they should be treated as such.

ELCON has joined with other groups and is submitting comments making these three points, as well as questioning EPA’s overall legal authority. We hope that EPA and the Administration are listening because that is essential if our democracy is going to work. And it is essential that the rule be changed and clarified if the Clean Power Plan is going to work for our domestic manufacturers.

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ELCON, established in 1976, is the national association of large industrial users of electricity from virtually every manufacturing sector. ELCON members seek a reliable supply of electricity at competitive prices and have long supported federal and state efforts to achieve that objective. More information about ELCON is available at ELCON’s website, [www.elcon.org](http://www.elcon.org).