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THE SURGE

BY THE COMPETITIVE ENTERPRISE INSTITUTE

Welcome to the latest edition of The Surge!

- Details about the Clean Power Plan 2.0
- Yes, the PROVE IT Act will lead to carbon taxes
- House passes a bipartisan bill rejecting Biden's anti-oil and gas policies in Alaska
- Myths and facts in radiation risks
- There's a new nuclear reactor in operation: Plant Vogtle Unit 4

These are just some of the issues covered below. Please let others know about The Surge and they can [subscribe here](#).

Best,

CEI's Energy and Environment Team

TOP OF THE AGENDA: CLEAN POWER PLAN 2.0

The Environmental Protection Agency (EPA) still thinks it should be the nation's electricity grid manager and continues to ignore reliability concerns. The agency finalized its [power plant rule](#), unaffectionately referred to as Clean Power Plan 2.0. Here are some useful resources on the rule:

EPA Rule Against Power Plants – Bad For Energy Reliability And Prices, Bad For Rule Of Law

Statement from CEI's Daren Bakst on the rule:

The EPA is once again trying to play the role of the nation's electricity grid manager. It has finalized requirements that will lead to a major shift from reliable sources of electricity (coal and natural gas) to unreliable sources of electricity, such as wind and solar. When Americans flick on the switch, they want and rightfully expect the lights to come on. If the EPA gets its way, then Americans may need to change that expectation. This rule will also likely drive up electricity prices, which will hurt all Americans, especially the poor.

The agency absurdly thinks its authority to regulate means it has the authority to shut down businesses. Establishing new regulations for power plants does not mean the agency can effectively force them out of business. This is Clean Power Plan Part II, but like with many sequels, it is worse.

EPA's New Powerplant Rule is the Clean Power Plan on Steroids

The EPA announced its [final rule](#) establishing carbon dioxide (CO₂) emission performance standards for existing coal powerplants and new natural gas powerplants. Although the final rule differs from the EPA's May 2023 [proposed rule](#) in various ways, the big picture remains the same. The rule establishes a 90 percent carbon capture and storage (CCS) requirement that will drive coal generation out of the nation's electricity mix. This is the [Clean Power Plan](#) on steroids. The rule defies the Supreme Court's ruling in [West Virginia v. EPA](#). It is an unlawful assault on affordable energy and grid reliability.

Under Section 111 of the Clean Air Act, emission performance standards are to reflect the "best system of emission reduction" (BSER) that has been "adequately demonstrated," taking into account costs, energy requirements, and non-air environmental impacts. Whether CCS is "adequately demonstrated" has been a bone of contention for many years.

CCS is an energy and water-intensive process that adds significantly to the cost of electricity generation. Despite decades of R&D and billions of dollars in taxpayer and ratepayer subsidies, only two commercial CCS coal powerplants operate in North America: [Petra Nova](#) in Texas and Boundary Dam in Canada. Only [Boundary Dam](#) was operational during the comment period. Both projects were built with substantial subsidies and [plagued with technical difficulties](#). Although Boundary Dam can capture up to 90 percent of its CO₂ emissions, its actual capture rate as of January 2022 was [75-80 percent](#).

The final rule also imposes a 90 percent CCS requirement on new baseload natural gas power plants. No utility scale natural gas CCS plant exists today. Only one small-scale facility was ever built – Florida Power & Light's 40 MW CCS gas plant in [Bellingham](#), Massachusetts. It closed in 2005. Not exactly a broad technological base on which to predicate an industry-wide 90 percent carbon capture requirement.

The Biden administration aspires to decarbonize US electric generation by [2030](#). However, wind farms do not produce power during [wind droughts](#), which can last a week or more, and solar stations produce little power on cloudy days and none at night. Absent breakthroughs that dramatically decrease the cost and increase the performance of [battery storage](#), grid reliability will depend on the availability of electric power generated from coal, gas, nuclear power, or dams.

That may be why the EPA decided not to impose a 90 percent carbon capture requirement on existing baseload natural gas powerplants...

In sum, the final rule is more stringent than the proposed rule in some respects, and less stringent in others. Both are far more aggressive than the Clean Power Plan (CPP), which the Supreme Court vacated in West Virginia. The CPP established an emission performance standard for existing coal powerplants of 1,305 lbs. CO₂/MWh – approximately 24 percent lower than the emission rate of efficient supercritical coal plants then in service ([1,720 lbs. CO₂/MWh](#)). The EPA now demands a 90 percent reduction in CO₂ emissions from existing baseload coal powerplants. The CPP projected a reduction in coal generation market share from 38 percent in [2014 to 27 percent in 2030](#). The new rule projects an 89 percent reduction in power sector coal use in 2045, relative to the current policy baseline.

SPECIAL SERIES: THE PROVE IT ACT

The [PROVE IT Act](#) (S. 1863) is not a benign information collection bill on the carbon intensity of domestic and foreign goods. Instead, it would put in motion the creation of carbon taxes: a carbon tax on imported goods and a domestic carbon tax. CEI has done a series of new articles to help address some key points regarding the PROVE IT Act:

- [Why the PROVE IT Act Would Result in Carbon Taxes](#)
- [Why Policymakers Should Reject the PROVE IT Act: It's a Pro-Tax, Anti-Energy Bill](#)
- [Myths and Facts about the PROVE IT Act](#)

Here's an excerpt:

- **Congress has already demonstrated what will happen with PROVE IT Act information.** Just over a year ago in the [Inflation Reduction Act](#) (IRA), which was a partisan reconciliation bill, Congress took information collected under the EPA's greenhouse gas reporting [program](#) to

create a methane tax. The Senate passed the IRA on a 51-50 party-line vote with Vice President Kamala Harris casting the tiebreaker.

- **Many bill supporters have shown they would replicate what happened with the methane tax.** In the Senate EPW Committee markup of the bill, all Committee Democrats voted to kill an [amendment](#) that would have helped block the future use of reconciliation to impose a carbon tax on imported goods or a domestic carbon tax based on PROVE IT Act information. Chairman Tom Carper (D-DE) [opposed](#) the amendment precisely because it “prohibits any revenue measure based on the greenhouse gas emissions associated with commodities or products.”

IN THE SPOTLIGHT

Myths and Facts in Radiation Risks

The debate surrounding nuclear power has long been shaped by complex scientific, political, and social factors. At the heart of this debate lies the question of how we assess and manage the risks associated with radiation exposure. In a [new paper](#), CEI’s James Broughel delves into the history and scientific foundations of the “linear no-threshold” (LNT) model, the default approach used to evaluate the health risks of ionizing radiation. By examining the LNT model’s troubled past and its far-reaching implications, the paper seeks to [shine](#) a light on a critical issue that has profound consequences for our energy future.

For decades, the LNT model has served as a cornerstone of radiation protection policies, shaping safety regulations, and influencing public perceptions of nuclear power. However, as the paper reveals, the LNT model’s adoption was driven more by political and ideological factors than by rigorous scientific evidence. The model’s history is marred by controversies, conflicts of interest, and even instances of scientific misconduct.

House Passes Legislation to Unlock Energy Development in Alaska

The House passed the “Alaska’s Right to Produce Act of 2023” ([H.R. 6285](#)) to overturn the Biden Administration’s anti-energy restrictions in Alaska’s National Petroleum Reserve in Alaska (NPR-A) and the Arctic National Wildlife Refuge (ANWR). The legislation, introduced by Rep. Pete Stauber (R-MN), passed by a bipartisan [vote](#) of 214-199.

Prior to passage, CEI’s Patricia Patnode stated:

“The Biden administration has [repeatedly](#) undermined opportunities for economic growth and job opportunities in Alaska with a politically-driven [war](#) on American energy production. This anti-energy agenda has also forced

the nation to look overseas for energy sources and drain our [Strategic Petroleum Reserve](#). This bill is a necessary step towards reshoring our energy production and freeing the state from harmful federal policies that kill jobs, [waste time](#) spent on environmental analysis and applications, and [ignore the wishes of native communities](#).”

CEI's Paige Lambermont explained:

“This bill will help make it possible to produce the energy necessary to fuel every aspect of American life. It will also help to increase oil and gas supplies, thereby reducing energy prices and relieving financial strain on household budgets. Alaska has always been one of the nation's biggest energy states. Ensuring Alaskans' ability to continue utilizing the state's natural resources is essential.”

[Department Of Energy is Coming After Our Light Bulbs – Again](#)

We have already said goodbye to the incandescent light bulb, thanks to federal regulations. Will its replacement be next?

Department of Energy (DOE) efficiency regulations spelled the end of Thomas Edison's incandescent light bulb in favor light-emitting diode (LED) technology. LED bulbs are more energy efficient than their traditional counterparts and thus can meet the federal requirements, but they do cost more and have a [few drawbacks](#) such as not working as well with dimmers. Nonetheless, they were gaining market share even before being handed a captive market, and most consumers have accepted them.

But now – announced late in the day on Friday, April 12 – DOE issued a [final rule](#) setting extremely tough new requirements that even LED bulbs will have a hard time with.

House GOP Prepares CRA Resolutions Against Biden Climate-Risk rules, Including SEC Climate Disclosure Rule

Members of the House Financial Services Committee have [passed](#) four Congressional Review Act (CRA) resolutions targeting four Biden-era climate-risk rulemakings.

Among these is a CRA resolution proposed by Rep. Bill Huizenga (R-MI) aimed squarely at nullifying the Securities and Exchange Commission's (SEC) recently finalized climate disclosure rule. The SEC's rule is already in a precarious position, facing a consolidated set of lawsuits in the Eighth Circuit Court of Appeals. More and more organizations have filed suits pushing back against the SEC. This includes a recent [complaint](#) brought against the rule by the New Civil Liberties

Alliance and Free Enterprise Project in the Third Circuit.

We are seeing a two-front battle play out in the courts and in Congress against the SEC's unprecedented attempt to mandate corporate climate disclosures and spur climate change mitigation.

There's a New Nuclear Reactor in Operation: Plant Vogtle Unit 4

Just a few days ago, Unit 4 at Plant Vogtle began producing commercial power. Last year, Unit 3 made its debut.

Plant Vogtle will now be the [largest nuclear power plant](#) in the United States, and the country's second largest power plant by capacity at [4800 MW](#). It is [second only](#) to the [7,079 MW](#) Grand Coulee Dam, which is a hydroelectric facility.

In terms of electricity production, Plant Vogtle is projected to generate more than [30 million megawatt hours](#) annually. This would be greater than the Grand Coulee Dam, which in 2022 generated [21 million megawatt hours](#). The production at Plant Vogtle will make it [one of](#), if not the largest, electricity generating facilities in the country.

FROM OUR FRIENDS

[A Shockingly Inept Report from The IEA On Battery Storage of Energy](#), Francis Melton, Manhattan Contrarian

[More than Two Dozen AGs Sue Biden Administration over EV Mandate](#), Tristan Justice, The Federalist

[Congress Pushing to Block Biden's EV Mandates](#), Committee to Unleash Prosperity

[Build It, And the Wind Won't Come](#), Robert Bryce

[Throwing Alaskans to The Wolves for Earth Day](#), Sarah Montalbano, Independent Women's Forum

[Newsom's Energy Experiment Goes Awry](#), Miles Pollard and Hope Canlas, The Heritage Foundation

REGULATORY TRACKER

EPA: [Nonregulatory Public Docket: Reducing Greenhouse Gas Emissions from Existing Gas Turbines at Power Plant](#)

The EPA's new power plant [rule](#) was recently released and as expected, it excludes greenhouse gas emission requirements for existing natural gas-fired power plants. This doesn't mean that the agency doesn't have existing natural gas-fired power

plants in its sights. In fact, the EPA has opened up a non-regulatory docket to get feedback on greenhouse gas emission regulations for these plants.

Even though this isn't a proposed rule, it's very important to provide comments because they could help to shape the proposal. **Comments are due by May 28, 2024.**

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