



**pennsylvania**

DEPARTMENT OF ENVIRONMENTAL PROTECTION



Office of Waste, Air, Radiation & Remediation

# **DEP's Draft Section 111(d) Framework for Addressing Greenhouse Gas Emissions from Existing Power Plants**

Citizen's Advisory Council Meeting

May 21, 2014

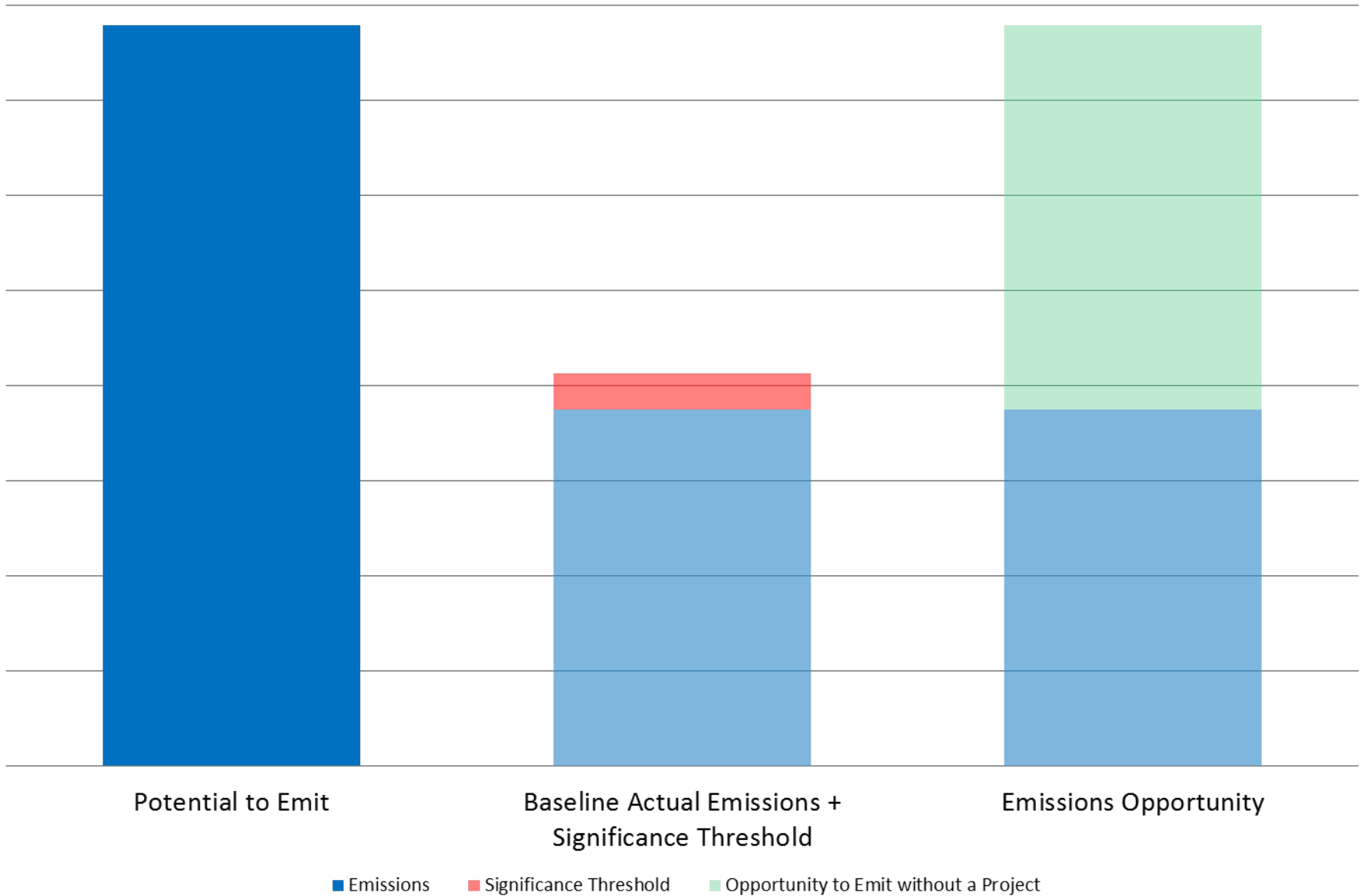
# ► Pennsylvania's Section 111(d) White Paper

- Use Section 111(d) of the Clean Air Act to establish emissions guidelines.
- Change the New Source Review Applicability Test to remove obstacles to the installation and operation of efficiency projects.
- Provide opportunities for system-wide compliance demonstrations, trading, and banking, without the use of allowances.

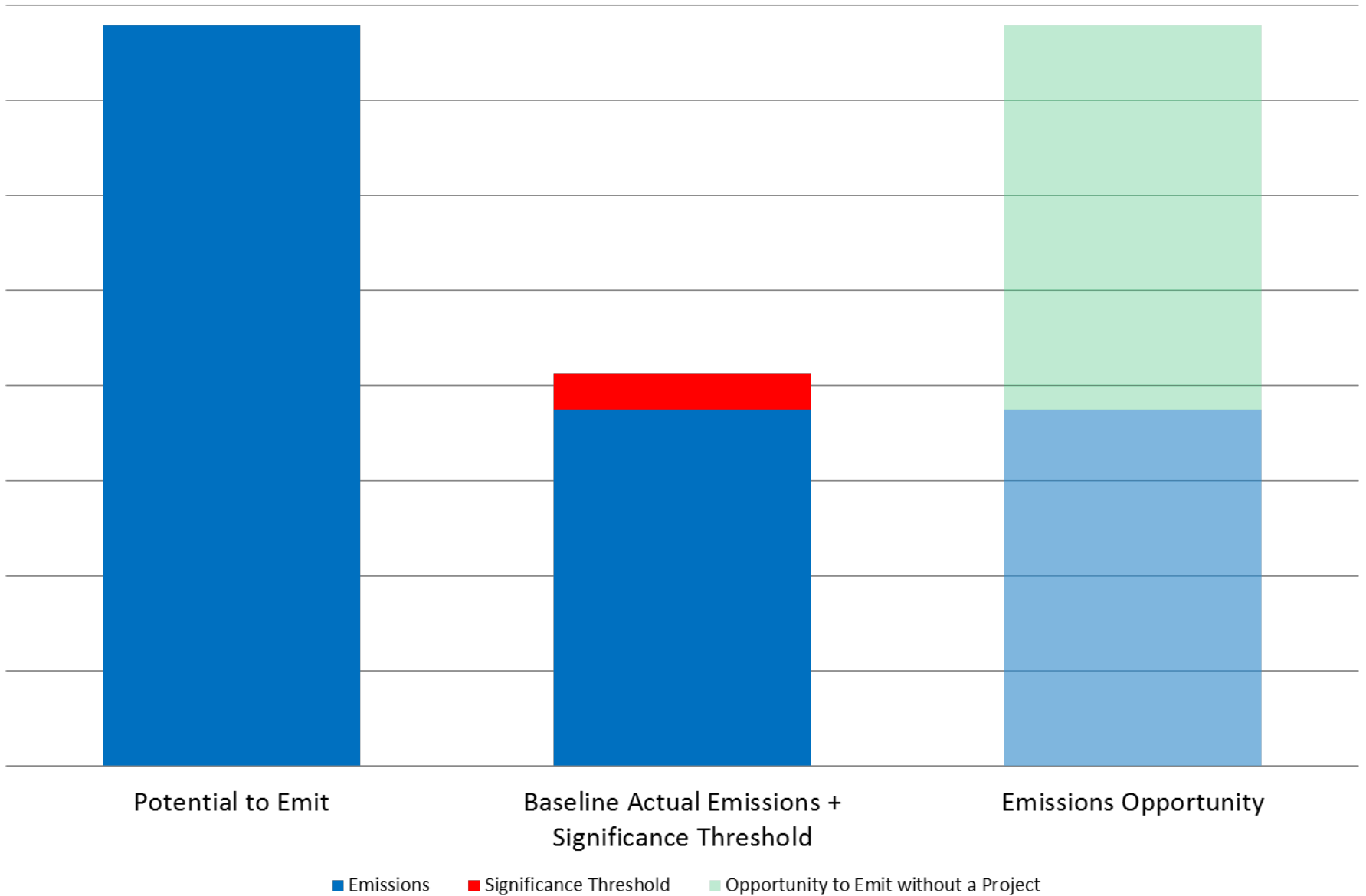
# > New Source Review

- A new affected source undergoes BAT, BACT, and, if applicable, LAER to determine its emissions limits.
- In non-attainment areas, a source is also required to obtain emissions reduction credits in excess of their emissions to offset the emissions increase.

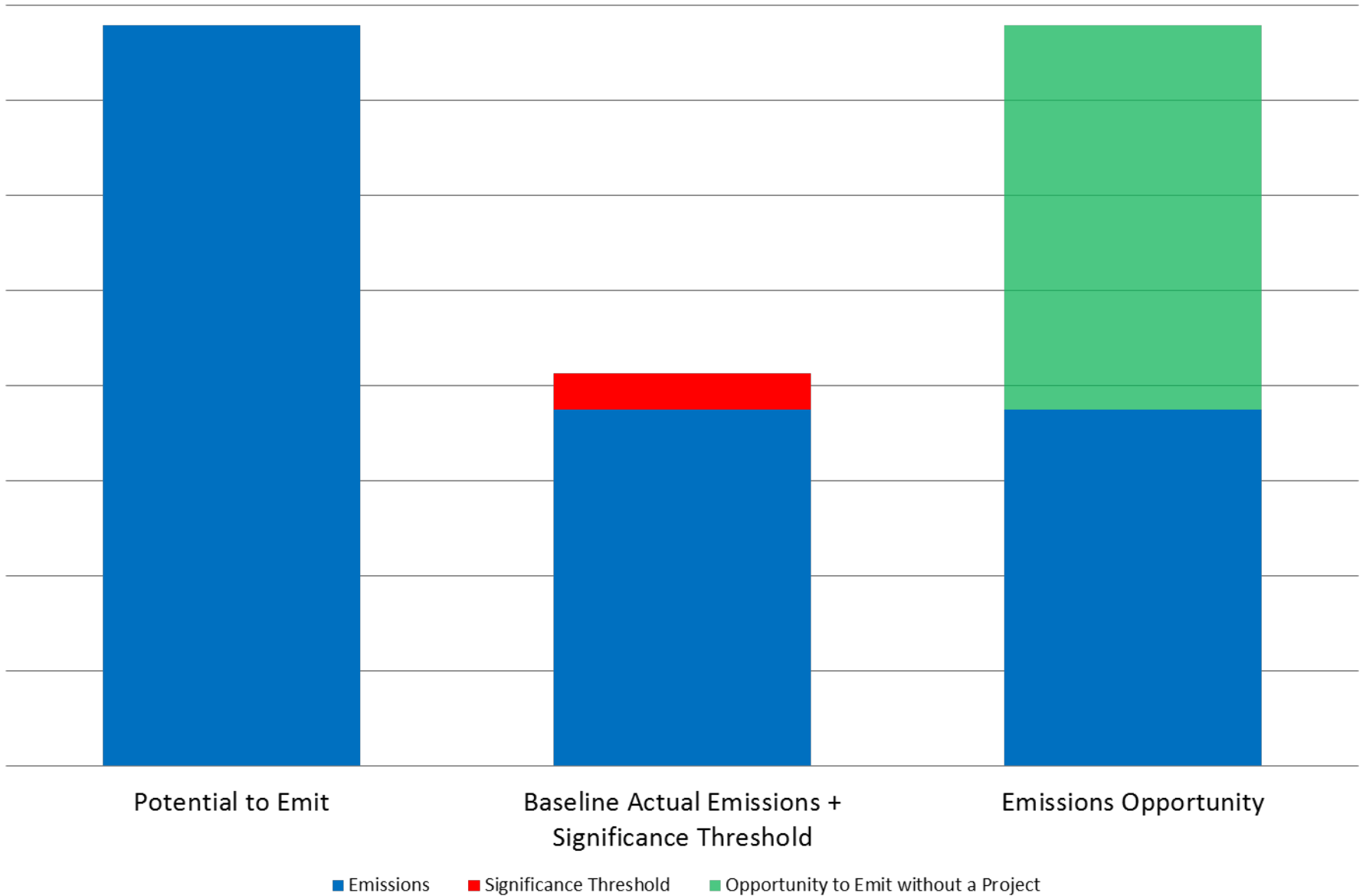
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# System without Allowances

- Accumulation/System-wide compliance
- Multi-year compliance demonstration
- True up
- No allowances



## ▶ Pennsylvania's Specific Vision

- Emissions guidelines should address emission reductions achievable “within the fence line” of affected sources.
- “Beyond the fence line” projects are non-affected sources and not subject to Section 111(d).
- It is appropriate to consider the use of projects from non-affected sources, only at the discretion of the affected source.

# ▶ Pennsylvania's Specific Vision

- Credits generated by non-affected sources to assist an affected source to meet the guidelines must be:
  - Quantifiable
  - Enforceable
  - Continuing
- Energy avoidance projects should not be used to generate credits.

# ▶ Pennsylvania's Specific Vision

- Pennsylvania's proposed framework recommends a mass based budget determined using 2005 as the baseline year.
- Each unit that is operating upon the start of the plan would then quantify their emissions, and compare them to their budget on a five-year rolling basis.
- The multiyear compliance demonstration helps to smooth out short-term variations.
- Retirements and early reductions since the 2005 baseline year will be included in the budget.

# Everybody Wins

- Efficiency investments provide an economic benefit to the investor.
- Results in lower costs, lower prices, and lower emissions.
- Preserves fuel diversity and grid reliability.
- Allows all sectors to invest in energy efficiency.
- Improves competitiveness while preserving and expanding jobs and growing the economy.



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