

EPA moves to regulate smokestack greenhouse gases

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The Environmental Protection Agency took steps Wednesday to control the emissions blamed for global warming from power plants, factories and refineries for the first time.

The EPA proposal would require polluters to reduce six greenhouse gases by installing the best available technology and improving energy efficiency whenever a facility is significantly changed or built. The rule applies to any industrial plant that emits at least 25,000 tons of greenhouse gases a year.

These large sources are responsible for 70 percent of the greenhouse gas emissions -- mainly carbon dioxide from burning fossil fuels -- that are released in the U.S., the EPA said.

"By using the power and authority of the Clean Air Act, we can begin reducing emissions from the nation's largest greenhouse gas emitting facilities without placing an undue burden on the businesses that make up the vast majority of our economy," EPA Administrator Lisa Jackson said. "We know the corner coffee shop is no place to look for meaningful carbon reductions."

Earlier this year, the Obama administration announced that it would start developing the first greenhouse gas emissions standards for cars and trucks. Those regulations, which would take effect in 2010, compel the EPA to control greenhouse gases from large smokestacks as well, the agency said.

Industry groups immediately questioned the agency's argument. They charged that the EPA was skirting the law, since the Clean Air Act typically covers any facility releasing more than 250 tons a year of a recognized pollutant. That threshold would require more facilities to fall under the new regulations.

"This proposal incorrectly assumes that one industry's greenhouse gas emissions are worse than another's," said Charles T. Drevna, president of the National Petrochemical and Refiners Association.

Jeff Holmstead, a former top EPA air pollution official who is now a lobbyist for the energy industry, said the agency was trying to "fit a square peg into a round hole."

"Normally, it takes an act of Congress to change the words of a statute enacted by Congress, and many of us are very curious to see EPA's legal justification for today's proposal," Holmstead said.

Jackson, speaking at a news conference at a climate change summit being hosted by California Gov. Arnold Schwarzenegger, said the rule was legally defensible.

"The EPA would not propose a rule that we didn't believe ... made good legal sense," she said.

"EPA would not propose a rule that did not make legal sense," she said.

The EPA's announcement came hours after Senate Democrats unveiled legislation that would set limits on the amount of greenhouse gases from large industrial sources. The Senate bill, unlike the House-passed version, preserves the EPA's authority to regulate under the Clean Air Act.

Environmentalists said Wednesday the two efforts go hand-in-hand.

"You can't have one without the other if we're going to be successful in moving America to clean energy," said Emily Figdor, director of the global warming program at Environment America, an advocacy group.

The move will likely increase pressure on Congress to pass a bill to avoid less-flexible, and what Republicans said would be more costly, regulations. Supporters of the legislation have already used pending EPA rules as leverage to get Congress to act.

Senate Republicans have already attempted to block the EPA from issuing regulations to buy more time for Congress to work on a bill. At least one Republican leader, Sen. James Inhofe of Oklahoma, said Wednesday that Congress would try to stop the EPA again.

EPA officials said this week the reporting rules are not intended to regulate greenhouse gas emissions under the Clean Air Act, but rather help get a more accurate measure of emissions to better inform policy decisions.

"The intent is to collect accurate and timely emissions data to inform future policy decisions, including policies under the Clean Air Act. And there's very strong interest from our colleagues on 'The Hill' to get a better handle on emissions data," said Dina Kruger, director of Environmental Protection Agency's Climate Change Division Office of Atmospheric Programs.

The EPA estimates the reporting rules will cover about 85 percent of all U.S. greenhouse gas emissions.

Kruger said the EPA chose not to require third-party verification of emissions reporting, and will instead perform its own verification.

The rule also does not delegate reporting duties to the states.

Estimated cost of the rule is \$115 million for the first year and about \$72 million annually thereafter.

Kruger said there's been much speculation about the EPA's ability to comprehensively and fairly regulate greenhouse gases under the Clean Air Act. The agency is not rushing in this direction, however, and it expects there will be federal regulation to set the framework, said Kruger.

Yet dozens of petitions have been filed demanding the EPA regulate various greenhouse gas emission sources under the Clean Air Act.

"Every category has either a petition or a notice of intent to petition," said Kruger. "The admin is really trying to step back and figure out how to manage this and how to make sure we have a manageable and sensible approach."

In the meantime, Kruger said it's important to remember that the greenhouse gas reporting rule is not greenhouse gas regulation.

Requiring the reporting of emissions is within the EPA's authority, and the data will help inform such policy decisions.

"For those worried we were going to do something that would not make sense, I encourage you not to worry. We're going to take more time," said Kruger, adding that the agency is open to input from industry and the public.

Star-Tribune energy reporter Dustin Bleizeffer contributed to this story.

