

Cross-State Air Pollution Rule (CSAPR)

On July 6, 2011, the US Environmental Protection Agency (EPA) finalized a rule intended to protect the health of millions of Americans by helping states reduce air pollution and attain clean air standards. This rule, known as the Cross-State Air Pollution Rule (CSAPR), requires 27 states, including Texas, to significantly improve air quality by reducing power plant emissions that contribute to ozone and fine particle pollution in other states and was originally slated to take effect January 1, 2012. The Cross-State Air Pollution Rule imposes caps on sulfur dioxide and nitrogen oxide that drift across state borders.

The implications to the 19 coal-fired plants which generate electricity for Texans will be devastating. Some of these plants could be forced to shut down or have their operations severely curtailed, resulting in a 25% reduction in Texas' generating capacity according to experts.

While most agree that Texas needs to support a healthy fuel mix of coal, nuclear, natural gas, and renewable energy resources, the need to also protect the reliability and affordability of the electricity is also paramount for the economy of Texas to continue to improve.

In August, the Public Utility Commission of Texas filed comments with the EPA alleging the analysis the EPA used as the basis for the proposed rule as pertaining to Texas was flawed. Additionally, in September, a representative of Luminant, the former TXU, which owns 12 of the 19 coal-fired plants in Texas, testified at The Senate Committee on natural Resources that there was simply no way that the company could perform the three or four years of work needed to bring the plants into compliance in the few months remaining before the requirements went into effect. Therefore, they would be forced to simply shut down the units, not only causing a loss of generation capacity, but also, job loss for those employed at the plants.

Trip Doggett, CEO of Electric Reliability Council of Texas (ERCOT), testified that had the rule been in place in August, Texas would have had multiple days of rolling outages because there simply would not have been enough generation to meet the demand.

On September 20, 2011, Attorney General Greg Abbott asked the federal appeals court in Washington, D.C. to grant a partial stay of the rule for the Texas industry. No Texas generator has indicated they are not willing to comply with the rules imposed, they simply need a more realistic timeline to meet the emission standards.