

Toolkit for Ensuring Reliable, Economic Responses to EPA's Proposed Air Regulations

Sue Tierney

NARUC Annual Meeting – November 17, 2010 – Atlanta, Georgia

Panel on “The Climate Syndrome: Without Congressional Action,
What Do State Regulators Need to Know?”

stierney@analysisgroup.com

Starting points:

Public health, economically efficient power resources and electric reliability objectives all are “givens.”

We can afford to clean up the power sector’s air emissions – in light of the benefits.

Regional benefits are aligned with affected electrical regions.

From macro level, adequate resources – with further analysis needed about micro local issues.

The industry has a rich tool kit.



The Tool Kit: A Capable Industry

- Transmission planning processes
- Underutilized resources (e.g., gas plants)
- Outage coordination
- Forward capacity markets
- IRPs, other state regulatory review
- Known technologies for compliance/retrofits
- Energy efficiency, demand response, distributed generation
- New generation additions
- Transmission reconfiguration
- Fuel switching, retrofits, repowerings
- Ratemaking for least-cost strategies, rate impact mitigation
- Last resort: RMR contracts, consent decrees, federal orders



What can we accomplish:

Health benefits – plus

Modernizing the electric system

Power Plant Efficiencies

Transmission utilization

Economic activity, jobs

GHG emissions reductions

Reliability

