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Congress of the United States
House of Representatives
Washington, DC 20515-2306

April 23, 2015

Administrator Gina McCarthy
Environmental Protection Agency
Office of the Administrator 1101A
1200 Pennsylvania Avenue, N.W.
Washington, DC 20460

Dear Administrator McCarthy:

I write to you today to express my concerns about the Environment Protection Agency's (EPA) proposed Clean Power Plan (CPP), which I believe will compromise the competitive position of my state, create high costs, and could threaten electric reliability for Minnesota residents and business. Most of all, I am perplexed that the CPP seems to punish states like mine for their proactive efforts to transition early to cleaner energy sources.

The CPP would require Minnesota to achieve a 41% reduction in emissions from 2012 to 2030 – one of the most aggressive targets in the nation, despite all of Minnesota's progress in reducing emissions prior to 2012. Through a combination of renewable energy, energy efficiency, and shifting from coal to natural gas, Minnesota's electric sector reduced carbon dioxide emissions by 13% from 2005 to 2011, and individual utilities saw larger reductions – e.g. 22% from 2005 to 2012 for Xcel Energy. By not recognizing these achievements, the EPA sends Minnesota the message that we should have waited, and asks electricity customers who are already paying for these reductions, to pay relatively more than other states where more cost-effective reduction opportunities remain available. I urge the EPA to do more in the final rule to recognize clean energy leadership prior to 2012.

Second, I am concerned about the possible effects of the CPP's interim targets on reliability and costs. The interim targets – for Minnesota, premised on the full implementation of Building Blocks 1, 2 and 3 by 2020 – would require Minnesota to achieve 94% of the total reductions the CPP requires by 2020 or soon thereafter. This timeframe – potentially as little as six months after the EPA approves Minnesota's state plan – is entirely inconsistent with utility infrastructure planning, and needlessly raises the risk of economic disruption, stranded assets, and reliability challenges. I urge the EPA to eliminate the interim targets and allow Minnesota's energy and environmental regulators to use existing well-established processes to design an appropriate glide path to the 2030 target.

Third, I am concerned about EPA's contemplation of Building Block 3 alternatives that would base renewable energy targets on technical and economic potential. These alternatives would make my state's 2020 and 2030 targets much more stringent. They would eliminate the flexibility Minnesota currently has to implement more renewable energy than the EPA assumed in setting the goals, in order to compensate for not being able to achieve the EPA's entirely

unrealistic assumptions in Building Blocks 1 and 2. Minnesota will continue to lead in renewable energy, but our natural gas combined cycle facilities will be needed to integrate this renewable energy, so they will not operate at 70% capacity. The EPA should retain the current approach to renewable energy in Block 3, and ensure that Minnesota can claim compliance credit for all renewable energy paid for by Minnesotans, regardless whether located in another state or in Canada.

Finally, I urge the EPA to correct certain technical errors in the rule as identified in the state's comments, and remove the arbitrary "at-risk" nuclear component from goal-setting. Two power plants in my district are illustrative of these problems. Sherburne County (Sherco) Unit 3 was offline for all of the 2012 baseline year due to a major unplanned outage; this artificially depressed fossil emissions in 2012, giving Minnesota a more stringent target due only to the EPA's selection of a single, atypical baseline year. Monticello Generating Station provides year-round, carbon-free generation; the EPA arbitrarily called 5.8% of this plant's capacity "at risk" and added that portion of its generation to the denominator of Minnesota's goal – making the goal more stringent and essentially penalizing Minnesota for having carbon-free nuclear.

I urge the EPA to address these critical issues before promulgating the final CPP rule. Should you have any questions, please do not hesitate to contact me at my D.C. office.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Emmer", with a stylized, flowing script.

Tom Emmer
Member of Congress