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December 1, 2014

Docket ID No. EPA-HQ-OAR-2013-0602

Administrator Gina McCarthy
U.S. EPA, Mail Code 2822T
1200 Pennsylvania Ave. NW.
Washington, DC 20460

Dear Administrator McCarthy:

60 Plus respectfully submits these comments on the proposed Emission Guidelines for Greenhouse Gas Emissions from Existing Stationary Sources: Electric Utility Generating Units (CPP).

60 Plus represents 7.2 million senior citizens.

As we learned this past winter, the United States electrical energy infrastructure was stretched to the brink...and the projected shuttering of additional coal plants as a result of EPA regulations is going to make things even worse. Of special concern to me, and the seniors I represent, is the artificially high price of electricity most Americans are paying. Any increase in the price of electricity or natural gas is harmful to the seniors. Seniors on fixed or diminishing incomes pay a disproportionate share of their modest income for utilities. I believe our nation must preserve and grow the contribution of coal-based electricity... the surest and most reliable way to deflate electricity prices.

As you know, Madame Administrator, during times of brutal cold and heat, tragedies abound of people dying in their homes, unable to pay their utility bill. While EPA is using "co-benefits" to justify the rule, it has ignored the pre-mature deaths due to loss of discretionary income. The Americans most affected are nearly always the elderly. EPA should be promoting, not destroying, projects that create an abundance of reliable and affordable electric generating capacity for our nation's seniors.

60 Plus filed comments on the new power plant greenhouse gas proposal in May. This new proposal is doubling down on bad policy. EPA has foreclosed the opportunity to build new coal plants and now is proposing to shut down existing coal power plants.

We strongly oppose the existing plant rule for several reasons:

1. The existing EPA rules are already driving up the costs of natural gas and electricity prices. The new proposal will add even more unacceptable costs.

An article on April 29, 2014 provided a bleak picture of our future under EPA regulations:

<http://dailycaller.com/2014/04/29/epa-regulations-set-to-increase-natural-gas-prices-by-150-percent/>

Environmental Protection Agency policies resulting in the shutdown of coal-fired power plants will contribute to a 150 percent price hike for natural gas, accompanied by a 7 percent rise in electricity prices, according to government data.

The U.S. Energy Information Administration (EIA) projects that the accelerating rate of coal plant retirements will cause natural gas prices to rise from \$3.44 per million British thermal units (Btu) in 2012 to \$5.91 per million Btu in 2025. This would boost retail electricity rates for households and businesses from 9.8 cents per kilowatthour to 10.5 cents per kilowatthour — a 7 percent price jump by 2025.

Gas and power prices are driven even higher by 2040 as more coal plants are shuttered. Natural gas prices will increase 150 percent over 2012 levels and retail power prices will rise 22 percent over 2012 levels as more coal plants are retired.

As you know, there is a real cost in lives when the cost of energy rises. EPA has used the calculation of one pre-mature death for every \$10M in lost disposable income. EPA must provide a full analysis of the costs of its proposal, especially as it relates to seniors.

2. The new rule will have costs far exceeding the estimates provided by EPA.

We commissioned an analysis of the EPA proposal (**attached**) that shows the substantial impact on seniors. Below is a summary of the analysis;

- The Census Bureau reports that the median pre-tax household income of 65+ households in America was \$33,848 in 2012, 41% below the \$57,353 median income of younger households.

- More than 40% of America's 65+ households had gross annual incomes below \$30,000 in 2012, with an average pre-tax household income of \$17,032, or \$1,419 per month.

- The prices of all essential consumer energy products – electricity, home heating fuels, and gasoline- have increased at rates exceeding both the CPI and Social Security COLAs for the past decade, and these trends are expected to continue.

- The average annual electric bill for 65+ households, \$1,164 in 2009, represented 61% of total residential energy bills.

- Energy costs are adversely impacting lower-income seniors afflicted by health conditions, leading them to forego food for a day, reduce medical or dental care, fail to pay utility bills, or become ill because their home was too cold. (APPRISE, 2009).

- EPA projects 5.9% to 6.5% average retail electric price increases for the proposed CPP rule in 2020, with increases as high as 10% to 12% in some regions (CPP RIA Table 3-21). This projection is highly uncertain because it assumes that states will follow

EPA's prescribed "building blocks" approach to emission reductions. **EPA's projections for the CPP rule are in addition to a 3.1% average national price increase in 2015 for compliance with EPA's 2011 Mercury and Air Toxics Standards rule (EPA MATS RIA, Table 3-12).**

- A new NERA analysis of the proposed CPP indicates potential delivered electric price increases averaging 12% to 17% over the period 2017 to 2031, depending upon the degree of implementation flexibility. Total consumer energy costs could rise by \$366 to \$479 billion in net present value (NERA/ACCCE *et al.*, October 2014).

- EPA projects that the CPP will lead to further increases in delivered natural gas prices of 7.5% to 11.5% in 2020 (CPP RIA, June 2014). U.S. DOE projects that the price of natural gas delivered to electric utilities will increase at a compound annual rate of 3.1% above the rate of inflation between 2012 and 2040, the highest rate of real price increase for any delivered fuel in any sector of the economy (DOE Annual Energy Outlook 2014).

- The CPP will cause the retirement of 30 to 49 Gigawatts of coal generating capacity by 2020 (CPP RIA, Table 3-12). This is in addition to more than 50 Gigawatts of coal capacity expected to be shuttered over the next few years as a consequence of compliance with EPA's 2011 MATS rule, low natural gas prices, and other factors (DOE/EIA AEO 2014).

- The additional base-load generation capacity projected to retire due to the CPP would increase the risks of brownouts, load curtailments, and other power disruptions in regions affected by these retirements.

- A new ozone air quality standard could dramatically increase energy costs for all American consumers and businesses. EPA's planned revision to the 2008 National Ambient Air Quality Standard for ozone, currently set at a level of 75 parts per billion (ppb), in December 2015. A July 2014 analysis of a potential new ozone standard set at a level of 60 ppb indicates that such a standard could impose \$348 billion in annual compliance costs.

3. The science justification for the new rule is severely flawed.

On March 19, 2014, the Senate Committee on Environment and Public Works Minority issued the report:

[*"EPA's Playbook Unveiled: A Story of Fraud, Deceit, and Secret Science"*](#)

This report documents the extremely disturbing 20 year saga of the use of severely flawed particulate matter (PM) and ozone science. This is the same science that was crucial in the 2009 Endangerment Finding and the 2010 / 2013 Social Cost of Carbon. This science has been used to justify this rule

The House Science, Space and Technology Committee conducted a thorough two year

investigation of the use of secret science by EPA that resulted in an August 2013 subpoena of you.

<http://science.house.gov/press-release/smith-subpoenas-epa-s-secret-science>

Excerpt:

Chairman Smith: *“In September 2011, the EPA’s then-Assistant Administrator Gina McCarthy committed to make the data sets available to the Committee. Even though Ms. McCarthy now leads the agency, she has yet to provide the promised data to the Committee.*

“This subpoena could have been avoided. Unfortunately, we’ve been put in this position by an agency that willfully disregards congressional requests and makes its rules using undisclosed data. After two years of failing to respond, it’s clear that the EPA is not going to give the American people what they deserve—the truth about regulations.

“The EPA should not base its regulations on secret data. By denying the Committee’s request, the agency prevents Congress from fulfilling its oversight responsibilities and denies the American people the ability to verify EPA’s claims. The EPA’s lack of cooperation contributes to the suspicion that the data sets do not support the agency’s actions. The American people deserve all of the facts and have a right to know whether the EPA is using good science.”

In your March 2014 response, you admitted that EPA does not have the data.

<http://science.house.gov/sites/republicans.science.house.gov/files/documents/EPA%20letter%20to%20Smith%20March%207%202014%20%282%29.pdf>

How can EPA continue to hide behind secret science for new regulations like the current proposal? You must withdraw the current proposal and re-propose every regulation or finding that used the secret science.

Thank you.

James L. Martin
Chairman
60 Plus Association