



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

October 8, 2015

S. 1324
Affordable Reliable Electricity Now Act of 2015

*As ordered reported by the Senate Committee on Environment and Public Works
on August 5, 2015*

S. 1324 would repeal or require changes to rules and guidelines issued by the Environmental Protection Agency (EPA) that address greenhouse gas emissions from power plants that use fossil fuels. Under the bill, before proposing any new rules or guidance related to those emissions, EPA would need to meet certain standards and follow certain procedures. Final rules that would be affected by this legislation include:

- Standards of Performance for Greenhouse Gas Emissions from New, Modified, and Reconstructed Stationary Sources: Electric Utility Generating Units, signed by the Environmental Protection Agency on August 3, 2015;
- Standards of Performance for Greenhouse Gas Emissions from New Stationary Sources: Electric Utility Generating Units, published in the *Federal Register* on January 8, 2014;
- Carbon Pollution Emission Guidelines for Existing Stationary Sources: Electric Utility Generating Units, published in the *Federal Register* on June 18, 2014; and
- Carbon Pollution Emission Guidelines for Existing Stationary Sources: EGUs in Indian Country and U.S. Territories; Multi-Jurisdictional Partnerships, published in the *Federal Register* on November 4, 2014.

Before developing any rules or guidance for existing power plants, the legislation would require EPA to provide a report to the Congress that describes the level of emissions reductions a rule is projected to achieve both globally and domestically, conduct modeling of the effect of the rule on climate indicators, and issue state-specific plans for reductions in greenhouse gas emissions.

In addition, when developing any rules or guidance for power plants that are new, modified or reconstructed, this legislation would require EPA to create separate categories for power plants that use natural gas as a fuel source and for power plants that use coal as a fuel source, and to base any new emissions standards on actual emissions levels achieved by at

least six different electric generating units across the United States when operating for a continuous 12-month period. CBO expects that under S. 1324, EPA would likely propose a new rule for carbon emissions from new, modified, and reconstructed power plants, consistent with the requirements of this legislation.

The bill would not prohibit EPA from continuing to work on activities related to power plants, such as developing guidance and providing technical assistance to states. Based on information from EPA, CBO estimates that implementing this legislation would not have a significant effect on EPA's workload or spending related to power plant emissions.

Enacting S. 1324 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

S. 1324 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

The CBO staff contacts for this estimate are Susanne S. Mehlman and Jon Sperl. The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.