Good morning. I would like to thank the Environmental Protection Agency for the opportunity to testify on the repeal of the Clean Power Plan (CPP). My name is Isaac Orr, and I am a research fellow for energy and environmental policy at The Heartland Institute.

The Heartland Institute is advocating for a full repeal of the Clean Power Plan because these regulations will have negligible impacts on the environment but will cost consumers billions of dollars and harm the reliability and affordability of the grid.

Despite the fact CPP was the signature climate initiative of the Obama administration, the administration’s own climate models found CPP would avert only 0.2 degrees Celsius of potential future warming by 2100, an amount too small to be measured by sophisticated scientific equipment.

The alleged benefits of the carbon-dioxide reductions caused by CPP are also likely overestimated. The Obama administration relied heavily on flawed climate models used by the Intergovernmental Panel on Climate Change when crafting CPP. When compared to temperature data gathered by weather balloons and satellites, an average of the 102 climate models used by IPCC overestimated anticipated warming by a factor of two to three. This means the benefits of carbon-dioxide reduction under the CPP are not likely to occur, because CPP’s human-caused projected warming is also unlikely.

The administration also sold the CPP has having important other benefits, such as a reduction in criteria pollutants, including PM 2.5. Although CPP would have likely produced some gains in these areas, these benefits could be more affordably achieved by implementing high efficiency, low emissions coal-fired power plants.

Estimates for the compliance costs for the CPP range from $8 billion to $39 billion, and electricity rates could increase by as much as 14 percent annually. Mandating that our electricity grid transition to highly subsidized and mandated wind and solar, which are two to three times more expensive than existing coal-fired power plants, will impose unnecessary hardships on seniors and low-income households.

Closing the existing coal fleet will also decrease the reliability of the grid.\(^1\) California, which has virtually eliminated coal-fired power plants from its generation portfolio in favor of renewables,

has resorted to issuing reliability-must-run contracts for natural gas to ensure the lights stay on. This issue in California would not have been a problem if the state had instead prioritized affordable, reliable baseload power by relying on coal, nuclear, and natural gas.

Despite the fact CPP was stayed by the Supreme Court in 2016, it is still affecting the decisions of utility companies and commissions. Hundreds of coal-fired power plants have shut down since 2010, and dozens more are slated for premature retirement in the coming years. Consumers will be harmed twice by these premature closures. Many of these coal-fired power plants still have capital costs to repay, and these costs, along with closure costs, will be forced on consumers to the tune of millions of dollars.

Adding insult to injury, these same ratepayers will be required to finance new generation capacity to replace the perfectly good coal-fired power plants that will be retired in the name of complying with the spirit of the Clean Power Plan, as utilities claim that they are complying with the carbon-dioxide emissions standards they anticipate will be enacted in the future.

EPA must fully repeal the Clean Power Plan, lest the next administration undertake rulemaking to tighten any replacement regulations enacted by the agency.

For more information about The Heartland Institute’s work, please visit our websites: www.heartland.org and http://news.heartland.org. You may also call John Nothdurft, Heartland’s director of government relations, at 312/377-4000 or reach him by email at jnothdurft@heartland.org.