

Powerful Regulation that Respects the Law

THE AFFORDABLE CLEAN ENERGY (ACE) RULE

The ACE rule offers a legal framework to advance the nation's environmental protections while preserving the rightful authority of the states to manage their own unique energy infrastructure and electric grids. It shows emissions can continue to be reduced while preserving the affordability and reliability of our grid.



Seven in 10 voters support a mix of coal, natural gas, nuclear power and renewable power sources to ensure reliability and lower costs for America's energy future.

– Morning Consult poll, January 2019

The ACE rule is a welcome replacement to its costly predecessor, the so-called "Clean Power Plan" (CPP). The CPP was a costly regulation that, if allowed to go into effect, would have had a negligible impact on the environment at a great cost to average Americans who need affordable and reliable energy.

Strengths of the ACE proposal over its predecessor include:

Regulating Individual Sources vs. Remaking the Entire Grid. Section 111 of the Clean Air Act (CAA) limits systems of emission reduction to those that can be implemented at the source. Such an approach is consistent with more than 40 years of pre-CPP precedent, which allows EPA to regulate individual sources, not the entire electric grid. The ACE proposal identifies heat rate improvements (HRI) as the best system of emission reduction (BSER) for coal-fired powerplants because HRI technologies are the only demonstrated means of reducing emissions that can be applied in a cost-effective manner at individual plants.

Balancing State and Federal Authority vs. A One-Size-Fits-All Mandate. The CAA created a system of shared authority by EPA and the states, with states playing a vital role under CAA 111(d). The ACE rule clarifies that EPA's role is to determine a nationally applicable BSER while the states determine standards and how to implement them. At its core, the ACE rule respects that each state is different and will require a unique approach to emissions reduction.

Encouraging Upgrades vs. Blocking Innovation. The ACE rule recognizes the importance of New Source Review (NSR) reform by removing barriers to efficiency improvements at coal plants. The complexities of current NSR law have disincentivized upgrades that would improve safety, increase energy efficiency and reduce emissions of regulated air pollutants. The ACE proposal to adopt an hourly emission rate test is a necessary step forward.

Reducing Emissions without Unnecessary Costs vs. Regulating to Target an Entire Industry. The ACE rule is expected to cut emissions by more than a third below 2005 levels by 2030 – nearly as much as CPP – while also reducing the compliance burden by up to \$400 million annually when compared to CPP.