

Stateline Midwest

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THE MIDWESTERN OFFICE OF THE COUNCIL OF STATE GOVERNMENTS

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Power struggle ahead

At MLC meeting, lawmakers hear about federal carbon-cutting plan that some Midwest states are vowing to fight

by Grant Gregory (ggregory@csg.org)

With goals that have ranged from addressing climate change, to increasing energy security, to boosting economic growth, state legislatures across the Midwest have made big changes in energy policy since the dawn of the new century.

Renewable portfolio standards are now commonplace; new energy-efficiency programs and mandates have been established; and in states such as Iowa and South Dakota, wind-power generation has skyrocketed.

In nearly every Midwestern state, too, the amount of carbon dioxide emissions from electric power declined, sometimes dramatically, between 2005 and 2012 (see graph on page 5).

But the federal government wants states to do more.

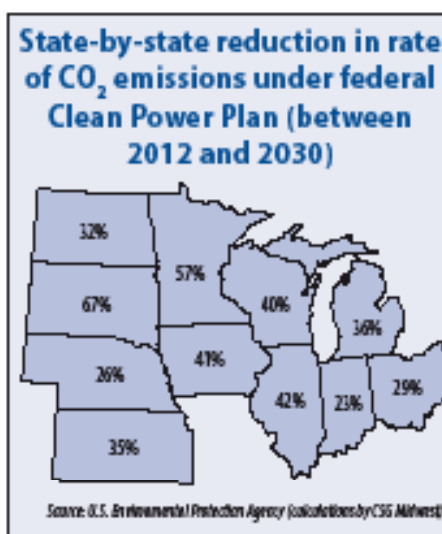
Its plan for action, known as the “Clean Power Plan,” was among the subjects covered this summer during a plenary session at the Midwestern Legislative Conference Annual Meeting.

The session was titled “The Midwest’s Energy Future,” and few policies will have a greater long-term impact than the Clean Power Plan’s goal of cutting carbon pollution from the nation’s power sector by 32 percent by 2030 (using emission levels from 2005 as the baseline).

The EPA has promised states ample flexibility in meeting this carbon-cutting goal.

The mandate, though, will require policymakers to pursue strategies that make power generation within their borders cleaner and more efficient. This could mean expanding the production of renewables and nuclear fuel, requiring plants powered by fossil fuel to be retrofitted, developing new statewide efficiency and conservation programs, or converting coal-powered plants to natural gas facilities.

“There are 50 states, there are 50 different ways to do things, and there is not a one-size-fits-all policy that we’ve



Thank you to MLC meeting participants and contributors

CSG Midwest would like to thank the legislators and contributors who took part in this year’s Midwestern Legislative Conference Annual Meeting in Bismarck, N.D.

Held over four days, the event gives legislators the chance to learn about and share innovative ideas in policymaking and state government. Planning for this year’s event was led by North Dakota Sen. Tim Flakoll, chair of the MLC, along with fellow lawmakers and legislative staff in the North Dakota Legislative Assembly.

This edition of *Stateline Midwest* highlights policy sessions and MLC committee meetings held during the conference, as well as actions taken by the region’s legislators. More information, including speaker presentations, is available at www.csgmidwest.org. Next year’s meeting will be held July 17-20 in Milwaukee.



▶ PLEASE TURN TO PAGE 5

Sources of Midwest’s electricity generation, by source, 2013*

State	Coal	Hydroelectric	Natural gas	Nuclear	Wind	Other
Illinois	43%	0%	3%	48%	5%	0%
Indiana	84%	0%	8%	0%	3%	3%
Iowa	59%	1%	3%	9%	28%	0%
Kansas	61%	0%	4%	15%	19%	0%
Michigan	53%	1%	12%	27%	3%	5%
Minnesota	46%	1%	12%	21%	16%	4%
Nebraska	72%	3%	1%	19%	5%	0%
North Dakota	78%	5%	0%	0%	16%	0%
Ohio	69%	0%	16%	12%	1%	2%
South Dakota	28%	40%	5%	0%	27%	0%
Wisconsin	62%	3%	12%	18%	2%	3%

* Numbers may not add up to 100 percent due to rounding

Source: U.S. Energy Information Administration

Six Midwestern states already supported early lawsuit opposing EPA's Clean Power Plan

creation of cap-and-trade emissions programs, either within a state or among multiple states.

Gilmer added that some states such as Indiana have warned that they may instead take a “just-say-no approach”: choosing not to comply with the federal rule.

In a June letter to President Obama, Indiana Gov. Mike Pence called the proposed Clean Power Plan “a vast overreach of federal power that exceeds the EPA’s proper legal authority” and that “fails to strike the proper balance between the health of the environment and the health of the economy.”

The letter is indicative of the struggle ahead between the Obama administration and some states over the plan’s merits, feasibility and legality.

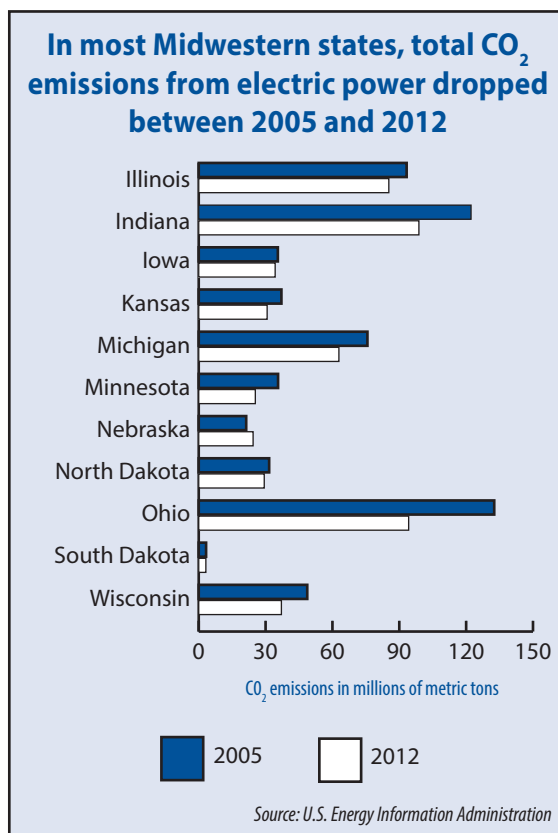
Even before the EPA’s Clean Power Plan was finalized, a group of U.S. states — including Indiana, Kansas, Nebraska, Ohio, South Dakota and Wisconsin in the Midwest — had filed a federal lawsuit against it.

A federal court dismissed the case on the grounds that the EPA rule was merely a proposal and had not yet been finalized. Future lawsuits, though, are a near-certainty.

‘Enforceable’ plans to cut CO₂ emissions

The MLC session took place only weeks before the EPA was scheduled to release a final version of the Clean Power Plan. (The final rule was released in early August.)

Under the finalized plan, every state will submit a plan that includes interim goals as well as “enforceable CO₂ emission limits.” For states that do not provide a comprehensive, enforceable plan, the EPA will develop one for them.



The plan’s mandatory cuts in carbon pollution vary from state to state, sometimes widely (see page 1 map) — for example, a 23 percent reduction in Indiana by 2030 vs. 67 percent in South Dakota.

These varying figures are based on what the EPA has determined to be the state’s ability to make the transition to cleaner, alternative fuels. And because the EPA uses 2005 emission levels as a baseline, some states may already be well on their way to meeting the new federal standards.

Once fully implemented, though, the plan will require many states to be less reliant on



Adam Sieminski, head of the U.S. Energy Information Administration, talks about the future of energy prices and supplies at the July meeting of the Midwestern Legislative Conference. He was one of several experts who spoke to the region’s legislators in July during a plenary session titled “The Midwest’s Energy Future.”

coal. Energy analysts have predicted that the Clean Power Plan will result in the conversion of coal-burning power plants into natural gas facilities, along with more investments in renewable electricity, nuclear power, carbon sequestration, coal gasification, energy efficiency and the smart-grid infrastructure.

But will the plan prove to be too costly and do economic harm? Does it amount to “a federal overreach”?

Some state policymakers say “yes,” and appear ready to fight the EPA over the new carbon-cutting rules. ★

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