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ENVIRONMENTAL DEFENSE

finding the ways that work

Fred Krupp · President

May 3, 2006

The Honorable Lamar Alexander
United States Senate
302 Hart Senate Office Building
Washington, DC 20510

The Honorable Thomas R. Carper
United States Senate
513 Hart Senate Office Building
Washington, DC 20510

Re: Introduction of the Clean Air Planning Act of 2006

Dear Senators Alexander and Carper,

I am writing to express Environmental Defense's support for the Clean Air Planning Act of 2006, which you are introducing today. Your leadership on this farsighted legislation sets a course that, if enacted, would deliver public health benefits and global warming gas reductions in a cost effective manner. Your bill points the way to how Congress should approach environmental challenges – high standards for protecting, public health, the environment and the economy.

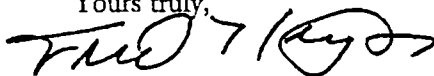
The Clean Air Planning Act would reduce emissions of greenhouse gases in the electric utility sector, an important first step to preventing the most damaging consequences of climate change. The Clean Air Planning Act reduces the cost of carbon management by allowing American farmers to play a role in providing low cost carbon offsets. The adverse impacts of global warming are all around us; hardly a week passes without more scientific evidence demonstrating that we need to act now.

The Clean Air Planning Act provides emissions reductions of nitrogen oxides and sulfur dioxide that go beyond those provided under EPA's Clean Air Interstate Rule. These additional reductions translate into lives saved. In contrast to Clear Skies, this bill does not weaken the vital human health and environmental protections under the CAA.

Finally, the Clean Air Planning Act provides the only appropriate manner of reducing mercury, a highly toxic heavy metal that can cause brain damage and learning disabilities in fetuses and children. While cap-and-trade programs provide an effective way to lower control costs for many pollutants they are not appropriate for locally deposited air toxics such as mercury. Recognizing this, Senators Alexander and Carper's legislation calls for a 90% reduction in mercury from each facility.

Environmental Defense commends you on your leadership in cleaning up the nation's air and avoiding dangerous climate change. We look forward to working with you and your staff in these endeavors.

Yours truly,



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The Clean Energy Group
Clean Air Policy Initiative

For Immediate Release: May 3, 2006

Media Contact: Michael Bradley
Phone: 978-369-5533

Leading Energy Companies Welcome the Introduction of Bipartisan
Legislation Limiting Power Plant Air Pollution while Addressing
Critical Energy Needs

A coalition of leading energy companies today welcomed the introduction of The Clean Air Planning Act of 2006 by Senators Tom Carper (D-DE), Lamar Alexander (R-TN), Lincoln Chafee (R-RI), Dianne Feinstein (D-CA) and Judd Gregg (R-NH). The multi-pollutant legislation establishes new national standards for reducing power plant emissions of nitrogen oxides (NO_x), sulfur dioxide (SO₂), mercury, and carbon dioxide (CO₂).

Michael Bradley, director of the Clean Energy Group's Clean Air Policy Initiative, praised the Senators for their continued bipartisan leadership on this important issue. "A growing number of states are moving forward with plans to regulate power plant air emissions, highlighting the need for a coherent national strategy," Bradley said.

At least fourteen states are moving forward with plans to regulate power plant mercury emissions. The West Coast states and the Northeast states are developing programs to limit CO₂ emissions. And the Midwest states are considering options for reducing NO_x and SO₂ emissions from power plants. This patchwork of state programs provides limited environmental benefit, at greater cost to the economy, as compared to an integrated national strategy.

"In the face of rising energy costs, we should adopt programs and policies that that will encourage efficiency and technological innovation," said Bradley. The Clean Air Planning Act uses market-based regulatory approaches for NO_x, SO₂ and CO₂ and an output-based allocation system to encourage efficiency and innovation. "By sending the right economic signals, the Clean Air Planning Act will stimulate investment in power plant efficiency and technological innovation," he said. Also, by reserving a share of the CO₂ allowances for advanced clean coal technologies, the Clean Air Planning Act provides further incentives for fuel diversity. By encouraging the efficient use of resources and promoting the deployment of advanced energy technologies, we can transition our industry to one which is less carbon intensive and reduce our overall emissions footprint.

The participants in the Clean Air Policy Initiative include Calpine Corporation, Entergy Corporation, Exelon Corporation, Florida Power and Light Company, PG&E Corporation, and Public Service Enterprise Group. The Clean Air Policy Initiative is a special project of the Clean Energy Group.

CLEAN AIR TASK FORCE

Statement of the Clean Air Task Force on the Introduction of the Clean Air Planning Act of 2006

May 2, 2006

We appreciate the positive contribution Senator Carper and Senators Alexander, Chafee, and Gregg have made to the policy dialogue by offering the Clean Air Planning Act of 2006 (CAPA). If enacted, the revised CAPA would provide substantially more health and environmental benefits than the Bush Administration's power plant rules and make a start on mandatory carbon management.

Compared to "Clear Skies" and/or the Bush Administration power plant rules (Clean Air Interstate, Clean Air Mercury Rule, and Clean Air Visibility Rule i.e. CAIR/CAMR/CAVR) the revised CAPA provides substantially more health and environmental benefits with virtually no adverse impact on coal use, natural gas prices, or electricity prices.

According to EPA estimates, the revised CAPA will result in greater reductions in pollution-related death and disease and greater relief for areas of the country designated as nonattainment for smog and soot pollution than the Bush Administration rules. In fact, the bill's tighter cap on sulfur dioxide emissions would provide the greatest total reduction in particulate matter health impacts of any proposed power plant legislation.

The revised CAPA would end "grandfathering" of power plants by guaranteeing that existing power plants meet modern pollution control standards by 2020 or their 50th birthday.

The revised CAPA's modest yet mandatory climate change program for the utility industry would be a start on carbon management. EPA's own estimates find that the revised CAPA carbon would cost of only a few dollars per ton of carbon dioxide. This finding undercuts the Bush Administration's claim that any carbon management policy would hurt the economy by driving up electricity and natural gas prices.

The bill provides an important step forward, however, the revised CAPA does not guarantee significant carbon reductions from the power sector, nor does it mandate overall cuts at the level needed to address climate stabilization.

Ultimately, for the U.S. to achieve its share of meeting global greenhouse gas goals, carbon reductions will need to be deeper and must come from the power system itself

The revised CAPA directs EPA to come up with helpful incentives for the building of Integrated Gasification Combined Cycle (IGCC) coal plants – a technology that allows capture and sequestration of carbon dioxide – and provide a disincentive to the construction of new conventional coal plants that do not.

The revised CAPA's new mercury provision takes into account the tremendous advances in mercury capture technology that allow feasible reductions of 90 percent per unit. These advances recently have been recognized by a host of states in the process of setting stringent mercury rules including Georgia, Pennsylvania, and Illinois (in addition to final rules in Massachusetts, Connecticut, New Hampshire, and New Jersey).

Commendably, the revised CAPA bill eliminates the original bill's regulatory relief from Clean Air Act programs such as New Source Review for old and new power plants and from important national park visibility protections.

What's New? [S. 843 vs. Revised CAPA]

- A technology approach to mercury control. The revised CAPA includes the requirement of a 90 percent mercury reduction per unit by 2015. No emissions credit trading is allowed, eliminating the possibility of mercury "hotspots".
- The revised CAPA drops the sulfur dioxide cap from 2.25 million tons per year to 2 million tons per year in recognition that the incremental benefits greatly outweigh the costs. This is the tightest power sector sulfur dioxide cap in any proposed power plant legislation.
- The revised CAPA attempts to harmonize the target reduction dates of three of the pollutants into 2010 and 2015 phases [with nitrogen oxide reductions beginning in 2009 to preserve states' ability to meet their Clean Air Act ozone attainment dates.]
- The revised CAPA provides a process to help ensure against "phony" carbon offsets being used to satisfy the power sector's carbon obligations by incorporating many of the creditworthiness safeguards developed by the northeast Regional Greenhouse Gas Initiative (RGGI).
- The revised CAPA drops provisions from the previous bill that would have weakened the Clean Air Act's New Source Review for new as well as existing plants and the Act's visibility protections.



May 3, 2006

Senator Thomas R. Carper
U.S. Senate
Washington, DC 20510

Dear Senator Carper:

The National Environmental Trust deeply appreciates your continued leadership in reducing air pollution from the power generating sector, and your efforts to achieve bipartisan support for measures to reduce the carbon emissions that cause global warming.

If enacted, the Clean Air Planning Act of 2006 would greatly reduce many of the largest power plant-related conventional air pollution problems by 2015. Its strengthened emissions reductions requirements for sulfur dioxide, nitrogen oxides and mercury are some of the most protective measures proposed in recent years. For one, your new per-unit, no-trading mercury pollution reduction requirement addresses the critical problem of local contamination. Also, we are pleased that vital requirements of the current Clean Air Act such as the New Source Review program, which requires old power plants to meet modern standards if they expand or are upgraded, remain intact. This and other federal clean air requirements have saved thousands of lives and should be maintained and strengthened, not weakened.

Your bill also recognizes that global warming is the greatest looming environmental and public health threat that our nation and the world face. The latest scientific data reveal that we must start now to stop and reverse the growth of the emissions that cause global warming if we are to avoid the most catastrophic impacts of a changing climate.

We appreciate your efforts to craft a broadly supported emissions reduction program for the utility industry that allows participation by other sectors of the U.S. economy. However, we believe that the scientific data that has emerged since you first crafted your approach, showing impacts progressing far more rapidly than scientists had predicted even five years ago, requires more aggressive action. In particular, we believe that utilities, which generate nearly 40% of the nation's global warming pollution, need to be required to reduce emissions from their own plants, rather than be allowed to purchase offsets from other industries for a majority of their emissions reductions if there is to be a market for new carbon reduction technologies. We look forward to working with you and your staff to further strengthen the carbon provisions of the bill.

Again, we commend you and your staff for your efforts to bring senators from both sides of the aisle to the table, and for your willingness to work with interested parties to improve this important legislation. We look forward to continued work with you in the future.

Sincerely,

Philip Clapp
President



National Parks Conservation Association
Protecting Parks for Future Generations

May 3, 2006

Honorable Thomas R. Carper
513 Hart Senate Office Building
Second and C Streets NE
Washington DC 20510

Honorable Lamar Alexander
302 Hart Senate Office Building
Second and C Streets NE
Washington DC 20510

Dear Senators Carper and Alexander:

On behalf of the National Parks Conservation Association, I would like to thank you for introducing the Clean Air Planning Act, a bill that will provide healthier air to millions of Americans, help restore clear skies to our national parks, and take important first steps toward addressing global warming.

Coal-fired power plants are a leading source of the pollutants that cause asthma attacks and respiratory disease in people, habitat damage and hazy skies in our parks, and mercury-laden fish in our rivers and lakes. They are also the main industrial source of the pollution that causes global warming. Technologies are readily available that allow these plants to operate much more cleanly. The Clean Air Planning Act would employ flexible market mechanisms and adequate lead-time so these plants can affordably apply the technologies that will help clean our air.

A major advantage of the Clean Air Planning Act over competing approaches is that it achieves environmental progress without scrapping existing protections. The Clean Air Planning Act builds on the strengths of the Clean Air Act, a law that has enjoyed wide bi-partisan support for more than 30 years.

Taken together, the provisions in the Clean Air Planning Act provide a comprehensive and balanced solution to the problem of coal-fired power plant pollution. Your efforts will go a long way toward reducing this pollution, protecting public health, and restoring our national parks to majestic wonders for all Americans to enjoy. The National Parks Conservation Association is pleased to support the Clean Air Planning Act.

Sincerely,

Thomas C. Kiernan
President

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One Breath at a Time*

For Immediate Release
May 3, 2006

Contact: Diane Maple
202-785-3355

Statement of John L. Kirkwood
President and CEO
American Lung Association

Last week, the American Lung Association issued our State of the Air 2006 report assessing air quality across the nation. Our report shows real improvement in the air quality in many states. Through this annual report, we are documenting the effect of decisions in 1998 to reduce ozone pollution in the eastern United States, where dirty power plants have been polluting the air for decades. It is clear that efforts to control pollution are making a difference. We are seeing the benefits of cleaning up dirty power plants in lower levels of smog and particle pollution, providing healthier air for Americans to breathe.

But the job is far from being finished. The State of the Air 2006 report finds that more than 150 million Americans still live in counties where they are exposed to unhealthy levels of air pollution. We know also that, despite the efforts to reduce power plant pollution so far, many power plants continue to be major sources of dangerous air pollution and a large number are still not controlled at all.

Senators Carper, Chafee, Alexander and Gregg's Clean Air Planning Act would take a major step forward in obtaining the additional air pollution reductions that we need from power plants across the United States. It would result in broad regional reductions in particle pollution and smog. But unlike the Clear Skies legislation pending in Congress, this bill will not weaken provisions in the existing Clean Air Act needed to control emissions from individual power plants that contribute to local air pollution problems. We applaud the senators' efforts.

However, we remain concerned about the timing of the proposed reductions. Millions of Americans cannot afford to wait for cleaner air. The Clean Air Planning Act-mandated power plant pollution reductions must come sooner, no later than 2010, to bring healthy air to communities in the timeline the Clean Air Act requires and the American public expects. Each year we wait, literally thousands of lives are lost.

Mounting scientific evidence shows that cleaning up the major sources of air pollution, as this legislation would do, will result in cleaner air and less illness and death. We are pleased to see bipartisan support for cleaner air. Reducing air pollution from power plants is a critical public health need. The American Lung Association remains committed to cleaning up the air to protect millions of Americans who still breathe unhealthy air.

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