

SECOND REGULAR SESSION

# House Concurrent Resolution No. 30

## 97TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES FRANKLIN (Sponsor), JONES (110), DIEHL, HOSKINS, HUMMEL, CRAWFORD, RICHARDSON, SPENCER, RIDDLE, DUGGER, WALKER, PFAUTSCH, GUERNSEY, LOVE, REMOLE, ALLEN, SCHATZ, MUNTZEL, ANDERSON, JONES (50), MCCAHERTY, ROWLAND, BERNSKOETTER, BERRY, HANSEN, NEELY, MCGAUGH, HAMPTON, HIGDON, KOLKMEYER, WOOD, JUSTUS, FITZPATRICK, ENTLICHER, ZERR, HOUGHTON, MOON, HURST, LANT, CORNEJO, LAIR, DOHRMAN, BROWN, CONWAY (10), LAUER, CROSS, MILLER, LICHTENEGGER, WHITE, FRAKER, FREDERICK, REDMON, SCHIEBER, SHUMAKE, PHILLIPS, SHULL, LYNCH, PIKE, STREAM, WILSON, BURNS, BLACK, HARRIS, MIMS AND MORRIS (Co-sponsors).

6022L.011

**WHEREAS**, domestically produced coal has been and continues to be used as a fuel to produce over 80% of the electricity generated by the state's investor-owned electric utilities, municipally owned utilities, and rural electric cooperatives; and

**WHEREAS**, the state's heavy reliance on coal as a fuel source for Missouri's base-load electric generation is due primarily to coal being abundant, available, reliable, and comparatively much less expensive than virtually all other available fuels; and

**WHEREAS**, on June 25, 2013, the President of the United States issued a memorandum to the Administrator of the United States Environmental Protection Agency directing the EPA to:

(1) Move forward with a new proposal to implement national standards for carbon dioxide (CO<sub>2</sub>) emissions from the new fossil fuel-fired electric power plants by issuing a proposed rule no later than September 20, 2013;

(2) Use the EPA's authority under Sections 111(b) and 111(d) of the federal Clean Air Act to issue no later than June 1, 2014, standards, regulations, or guidelines that address carbon pollution from modified, reconstructed, and existing power plants; and

**WHEREAS**, the EPA already has issued its proposed rules and regulations for new fossil fuel-fired electric power plants and is expected to issue its proposed rules and regulations for existing fossil fuel-fired power plants by June 1, 2014, with implementation by June 2015; and

**WHEREAS**, the EPA's proposed regulations for new power plants would require all new coal-fired electric power plants to utilize carbon capture and storage (CCS) technology, otherwise known as "sequestration", to capture and store CO<sub>2</sub> underground in order to meet the

28 EPA's new stringent emission limits, even though such sequestration technology is not yet  
29 economical or even widely commercially available; and

30

31 **WHEREAS**, according to the Congressional Budget Office, engineers have estimated  
32 this sequestration technology would increase the cost of producing electricity from new coal-  
33 fired electric power plants by 75%; and

34

35 **WHEREAS**, a significant amount of additional electricity, estimated to be approximately  
36 30% or more and known in the industry as "parasite load", would have to be generated by the  
37 power plant solely for the purpose of operating such new sequestration technology, making such  
38 additional power unavailable for use but still paid for by Missouri's electric consumers; and

39

40 **WHEREAS**, even the EPA admits that "today's CCS technologies would add around  
41 80% to the cost of electricity for a new pulverized coal (PC) plant"; and

42

43 **WHEREAS**, these regulations in practical effect will make it economically impossible  
44 to build new coal-fired electric power plants in the future in order to meet the future electric  
45 generation needs of Missourians; and

46

47 **WHEREAS**, these regulations will in effect completely remove coal as a domestic,  
48 abundant, reliable, and affordable fuel source for electric generation in the future; and

49

50 **WHEREAS**, a reliable, affordable energy supply is vital to the nation's future economic  
51 growth, security, and quality of life; and

52

53 **WHEREAS**, it should be clear public policy of the United States to pursue an "all of the  
54 above" approach by promoting, and not discouraging or eliminating, any one or more domestic  
55 potential fuel source for electric generation by new or existing power plants; and

56

57 **WHEREAS**, the EPA's proposed regulations for existing power plants, while not yet  
58 made public, can reasonably be expected to follow the approach taken by the EPA in its proposed  
59 rules for new plants, and in any event, certainly will be designed to drastically reduce CO2  
60 emissions from existing coal-fired electric power plants; and

61

62 **WHEREAS**, stricter emission standards imposed by the EPA on Missouri's existing  
63 coal-fired electric power plants necessarily will translate into higher electric costs that necessarily  
64 must be paid for by all Missouri consumers, either directly in higher electric rates, or indirectly  
65 through higher costs for other goods and services; and

66

67 **WHEREAS**, higher electric rates translate into an economic competitive disadvantage  
68 for Missouri and added economic stress in an already struggling state economy; and

69

70       **WHEREAS**, electric rate increases in recent years continue to be a heavy burden for  
71 customers served by the state's investor-owned and municipally-owned electric utilities,  
72 especially low-income residential customers, small businesses, and large manufacturers who are  
73 struggling to survive in an increasingly competitive world market; and

74  
75       **WHEREAS**, increasing costs for electricity will hit especially hard residential electric  
76 users living in rural Missouri who are served by Missouri's electric cooperatives where 50% of  
77 electric cooperative members are over 55 years old, 37% are retired or on a fixed income, 40%  
78 have gross household incomes of less than \$50,000 per year, and 16% make less than \$25,000  
79 per year; and

80  
81       **WHEREAS**, approximately 40 million American families nationally earn less than  
82 \$30,000 per year and spend almost 20% of their budgets on energy costs; and

83  
84       **WHEREAS**, Missouri currently enjoys some of the lowest electric rates in the nation due  
85 to its reliance on coal-fired electric generation while other states that do not rely on coal have  
86 some of the highest electric rates; and

87  
88       **WHEREAS**, many states have implemented mandatory or voluntary renewable  
89 portfolio/energy standards, implemented energy efficient or peak load reduction programs,  
90 experienced significant retirements of coal-based generating plants, or mandated emission  
91 reduction programs - all of which have already contributed to a reduction in greenhouse gas  
92 emissions; and

93  
94       **WHEREAS**, each state has different needs and should be permitted to primarily rely on  
95 its own state utility and environmental regulators to craft and implement emission performance  
96 systems that reflect the policies, energy needs, fuel resource mix, and unique economic  
97 considerations of each state and region:

98  
99       **NOW, THEREFORE, BE IT RESOLVED** that the members of the House of  
100 Representatives of the Ninety-seventh General Assembly, Second Regular Session, the Senate  
101 concurring therein, hereby strongly urge the Environmental Protection Agency to use some basic  
102 common sense and reject any federal fossil fuel emission rules or regulations that would have  
103 the practical effect of removing coal as a viable fuel option for both new and existing electric  
104 generation in the State of Missouri and elsewhere, and to adopt only such rules and regulations  
105 that allow state utility and environmental regulators maximum flexibility and discretion in  
106 implementing the same; and

107  
108       **BE IT FURTHER RESOLVED** that the Chief Clerk of the Missouri House of  
109 Representatives be instructed to prepare properly inscribed copies of this resolution for Gina  
110 McCarthy, Administrator of the Environmental Protection Agency, and each member of the  
111 Missouri Congressional delegation.

✓