

If there is a “War on Coal,” it’s not coming from the Clean Power Plan

John R Weinberger, June 7, 2015

Pop quiz: Which EPA Clean Air Act rule is going to result in the closing of out-dated, inefficient coal-fired power plants? It must be the proposed greenhouse gas rule known as the Clean Power Plan, right? After all, Senate Minority Leader Mitch McConnell among others has repeatedly characterized the proposed rule as emblematic of President Obama’s “War on Coal.” You would think that the Clean Power Plan must be responsible for the loss of coal mining jobs. Think again. Coal mining jobs have been in decline for 20 years. There have been coal plant closures in the electric power sector and there will be more. But EPA’s proposed carbon dioxide rule is not the main culprit. In fact 18 gigawatts of coal-fired capacity have already been retired since 2011 and the Clean Power Plan final rules have yet to be published.

There is another EPA rule with a much lower public profile than the Clean Power Plan but a much more dramatic and immediate impact on public health, air quality and electricity generation. Under EPA’s Mercury and Air Toxics Standard (known as MATS), it is now illegal to emit deadly toxins such as mercury and arsenic into the air. MATS requires coal-fired power plants to control emissions of acid gases, toxic metals and mercury. Power plant operators can control the emissions by installing either flu-gas desulfurization equipment (scrubbers) or dry sorbent injection systems. Coal-fired power plants must comply with MATS or shut down by April 2016. Faced with the prospect of costly retrofits and low natural gas prices, 138 coal-fired generating units have already been retired. Most of these are the oldest, smallest, least efficient and most polluting units in the power fleet.

According EIA analysis, considering the combined impact of all environmental rules and market forces, 40 gigawatts of coal-fired power capacity will retire over the next 25 years *even if the Clean Power Plan never goes into effect*. A combination of market forces and environmental demands – i.e. lower natural gas prices, stagnant electricity demand, mercury and air toxics regulatory compliance, and state policies promoting renewable energy sources – are making older coal-fired plants obsolete.

The Clean Power Plan will no doubt reduce coal-fired generation capacity even further, but EPA estimates that coal will remain an important source of energy - one-third of the nation’s power mix under the Clean Power Plan compared to roughly 40% now. This is true because the EPA has assigned highly coal reliant states - Kentucky, Tennessee, Ohio, Indiana, Illinois - relatively easy targets for reducing carbon dioxide intensity in their power sectors.

So if there is a “War on Coal,” its not being waged by the Obama Administration’s climate policy. Coal’s share of generating capacity is retreating in the face of the Mercury and Air Toxics rule, lower natural gas prices and stagnant growth in electricity. The Clean Power Plan will put additional stress on coal but definitely will not kill it.