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Public Service Commission

NEWS RELEASE Feb. 28, 2014 For Immediate Release, Contact: Julie Fedorchak, (701) 391-1140 Brian Kalk, (701) 261-0373 Randy Christmann, (701) 328-4091

PSC SUBMITS LETTER TO EPA IN OPPOSITION OF PROPOSED REGULATIONS ON CARBON EMISSIONS

BISMARCK, ND – The North Dakota Public Service Commission (PSC) today expressed opposition to the EPA's proposed regulations on carbon emissions saying the rules threaten to increase costs of electricity, decrease reliability, and that technology needed to meet the standards is not currently available.

The proposed rules would cap emissions at existing coal-fired power plants and set limits for emissions on all future coal plants. In a letter submitted to the Environmental Protection Agency (EPA) today, the Commissioners expressed concerns about the impact of the proposed regulations on North Dakota citizens, utility customers, industries and the state's economy.

These proposed regulations stand to fundamentally change one of the pillars of our economy, the electric system," Commissioner Julie Fedorchak said. "These changes need to be thoughtful, realistic, affordable, based on the status of current technology and set on a reasonable timeframe that industry can safely accommodate. This is not the approach the EPA is taking with current proposals."

Two of the major concerns addressed in the letter include increased consumer costs and reliability of electricity should coal generation facilities be forced to shut down. "In terms of costs, we have heard that utility customers could see dramatic increases in their rates as a result of these rules being enacted. The PSC doesn't believe this is an exaggeration," said Commissioner Brian Kalk. "If a significant amount of coal generation is shut down in this country, customers will pay not only the costs of shutting down these generations, but also the costs to replace that generation."

Another major concern is that technology to achieve the proposed emission standards, known as Carbon Capture and Storage, does not currently exist.

"Carbon Capture and Storage is not commercially available and is not a proven technology," said Commissioner Randy Christmann. "We need to move these changes at the speed of science, not at the speed of bureaucrats and politicians in Washington, D.C."

In response to the EPA choosing not to hold a listening session in North Dakota regarding these issues, the PSC held a symposium in January at the State Capitol. Officials from EPA and the North American Electric Reliability Corporation (NERC) participated, along with electric utilities and representatives from the coal industry.

The North Dakota Public Service Commission is a constitutionally created state agency with authority to permit, site and regulate business activities in the state including electric and gas utilities, telecommunications companies, power plants, electric transmission lines, pipelines, railroads, grain elevators, auctioneers, commercial weighing devices, pipeline safety and coal mine reclamation. For more information, contact the Public Service Commission at (701) 328-2400 or <u>www.psc.nd.gov</u>.

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