GHG Trading in the U.S.
Clean Power Plan Update

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Clean Power Plan overview

• Clean Air Act regulation
• Targets EXISTING fossil fuel-fired power plants
• Federal role and state role
  • EPA identifies emission targets
  • States determine how to comply
• Trading is an option
  • Mass-based (tons of CO₂)
  • Rate-based (pounds CO₂/MWh)
Distinctive aspects of the CPP process

• Regulatory
  • 4.3 million comments
  • Community engagement efforts
  • Multistate and multiagency collaboration
  • Scope of compliance options
  • Changes in the electricity sector since 2012
  • State officials are talking about carbon markets

• Legal
  • Supreme Court decision to stay the rule during litigation
Criteria for Issuing a Temporary Stay

1. Substantial likelihood of success on the merits;
2. Substantial threat of irreparable damage or injury if the injunction is not granted;
3. Balance of harms favors the party seeking the preliminary injunction;
4. Injunction would serve the public interest.
Distinctive aspects of the CPP process

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  • *En banc* review by the D.C. Circuit Court of Appeals
Spectrum of legal challenges

- Constitutional challenge
- Numerous statutory challenges
Official Responses to the Supreme Court Stay

Source: www.eenews.net
Pragmatic State Responses

• The electricity sector is changing rapidly
• GHG regulation is not going away
• Other environmental rules are forthcoming
Looking Ahead

• Court decision
• Presidential election
• State implementation?
• Other sectors?
• Congressional action?
Thank you

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