



Written by [James Heiser](#) on November 11, 2010

EPA Power Grab over Greenhouse Gases Threatens Economy

As President Obama's grandiose globetrotting across India and Indonesia solidifies his standing as "Polluter-in-Chief" in the Presidential Greenhouse Gas Index, his Environmental Protection Agency (EPA) Administrator, Lisa Jackson, continues the drive for her agency to usurp the legislative processes which the Constitution assigns to the Congress of these United States. According to a November 10 EPA press release:



The U.S. Environmental Protection Agency (EPA) is making available guidance and tools to help state and local air permitting authorities identify cost-effective pollution reduction options for greenhouse gases (GHGs) under the Clean Air Act. These tools are part of EPA's common sense approach to GHG permitting of the largest emissions sources outlined this spring in the tailoring rule. GHG pollution threatens the health and welfare of all Americans, and contributes to climate change. ...

In January 2011, industries that are large emitters of GHGs, and are planning to build new facilities or make major modifications to existing ones, will work with permitting authorities to identify and implement BACT to minimize their GHGs. This includes the nation's largest GHG emitters, such as power plants, refineries and cement production facilities. Emissions from small sources, such as farms and restaurants are not covered by these GHG permitting requirements.

While the EPA is quick to invoke "common sense" language to defend its regulatory putsch, analysts outside the administration dispute virtually every element of the EPA's defense of their actions. [Thus the Competitive Enterprise Institute \(CEI\) quickly responded:](#)

"Even a cursory glance at the EPA guidance document makes one thing crystal clear — the technology required to reduce or control carbon dioxide emissions is costly, complex, and time-consuming," said Marlo Lewis, CEI Senior Fellow. "It would crush small businesses, if applied to them.

However, before small businesses applaud EPA's 'Tailoring Rule,' which temporarily exempts them from certain mandates, they should remember that Congress never authorized EPA to make



climate change policy in the first place.

Not even Democratic domination of the House and Senate could implement the cornerstone of the agenda of the radical environmentalists: cap-and-trade. Last year, Jackson's absurd "[endangerment finding](#)" identified carbon dioxide — the fourth most common gas in the atmosphere — as a deadly pollutant which was destroying the Earth. In fact, the "endangerment finding" was one of the key steps taken by the EPA toward supplanting the power of the nation's elected representatives and further replacing them with a regulatory process essentially answerable only to the executive branch of government. In late 2009, the Obama administration was desperate to enact cap-and-trade in preparation for the UN Copenhagen Climate Conference; when neither the Senate's Democrat leadership [nor Sen. Lindsey Graham \(R-SC\)](#) could deliver what Obama needed in time for Copenhagen, the EPA began to simply implement the cap-and-trade agenda in the absence of legislative authorization.

A certain amount of confusion has been spread by the so-called "Tailoring Rule"; small businesses may be lulled into complacency by the notion that they will remain unaffected by the new regulations. What seems certain is that if the EPA's guidance document is allowed to stand, the brutal costs associated with all cap-and-trade measures will further pummel a weak American economy. Again, according to CEI's analysis:

"The Tailoring Rule is an illegal solution to an administrative nightmare of EPA's own making," said Lewis. "Having failed to get Congress to enact cap-and-trade, the Obama Administration is using the Clean Air Act to achieve the same results: higher energy prices, lower economic growth, and jobs shipped overseas," said Myron Ebell, Director of CEI's Center for Energy and Environment.

Higher energy prices and a further decline in the entire economy will not magically bypass small business; rather, many of the small businesses will be the first to suffer because they lack the "deep pockets" of large corporations which might otherwise give them time to weather the effects of the EPA's actions.

Furthermore, as Ben Lieberman observes in an article ("[Will EPA Regulators Leave America In The Dark?](#)") for GlobalWarming.org, the new regulations could even lead to power shortages. In Lieberman's words:

A new study from the North American Electric Reliability Corporation (NERC) finds reason for concern.

[Resource Adequacy Impacts of Potential U.S. Environmental Regulations](#) looks at four pending Environmental Protection Agency rules — the Cooling Tower Rule, the MACT Rule, the Clean Air Transport Rule, and the Coal Combustion Residuals Rule — that would impact coal-fired electric generating units. These power plants currently provide half of America's electricity. It should be noted that there are several other proposed or recently finalized rules that also affect these units — including the EPA's massive global warming regulatory agenda — that are not considered in this study. Nonetheless, NERC concludes that these four rules raise issues about electric reliability in the years ahead.

The study concedes considerable uncertainties regarding how strict the final version of these proposed rules will be as well as their ultimate compliance costs. For example, multiple rules with fairly urgent and overlapping timetables place great constraints on the existing supply of skilled



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labor and equipment needed to comply, while a more sequential rollout would be less onerous. In any event, NERC fears enough premature retirements of older coal-fired plants, along with significant downtime for units undergoing retrofits, to raise the possibility of reliability shortfalls.

This much is certain — the billions in compliance costs from EPA's rules will boost electric bills. But whether there will be enough electricity to meet the nation's growing demand while avoiding brownouts or blackouts is just one more piece of regulatory uncertainty to be piled onto the economy in the years ahead.

The Obama White House gives every indication of believing that all problems facing the nation can be solved by higher taxes and more regulation. In this regard, the EPA's continued pursuit of its reckless course of action signals that the administration believes the newly elected Congress will not rein them in. What remains to be seen is whether those elected representatives will prove them wrong in the new year.

Photo: U.S. Environmental Protection Agency Administrator Lisa P. Jackson speaks during the second Governors' Global Climate Summit in Los Angeles, Sept. 30, 2009: AP Images



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