



Written by [William F. Jasper](#) on May 4, 2012

## Sky-high Electric Bills Courtesy of Obama EPA's War on Coal

*"So if somebody wants to build a coal-powered plant, they can. It's just that it will bankrupt them because they are going to be charged a huge sum for all that greenhouse gas that's being emitted."* — Candidate Barack Obama, [San Francisco Chronicle](#) interview, [January 17, 2008](#)

*"Under my plan of a cap-and-trade system, electricity rates would necessarily skyrocket."* — Candidate Barack Obama, [Same interview as above](#)

*"We're going to have to cap the emission of greenhouse gasses. That means that power plants are going to have to adjust how they generate power ... but a lot of us who can afford it are going to have to pay more per unit of electricity, and that means we're going to have to change our light bulbs, we're going to have to shut the lights off in our houses."* — Candidate Barack Obama, [Iowa PBS interview](#), November 9, 2007



Electricity rates are indeed set to skyrocket, as Barack Obama predicted back in 2008, while he was still a freshman Senator and ambitiously aspiring to White House occupancy. The Obama administration's new Environmental Protection Agency regulations on coal-fired electrical power generation, if allowed to go into effect, will mean that even a lot of us who *can't* afford it will "have to pay more per unit of electricity." But the pain will be much more severe than merely having to change our light bulbs.

### A Grim Scenario

If Congress doesn't act to rein in the EPA's all-out war on coal, we will all be paying much higher electrical rates — and higher prices for just about everything else, since virtually everything we eat, drink, wear, and use requires energy for production and transportation. Thousands of coal-mining jobs are on the chopping block, of course, but hundreds of thousands of other jobs spread across all sectors of our economy are on the same chopping block. For businesses that are struggling to remain viable in this ongoing recession, energy costs are critical and even a slight uptick in rates can be the straw that breaks the camel's back.

The billions of dollars in compliance costs that the Environmental Protection Agency is mandating for coal-fired electrical plants will be that straw for many businesses, as those costs get passed on. Dozens of power plants, however, are simply shutting down; the costs of compliance are simply too high. So, another pain we may soon experience is an increase in rolling brownouts and blackouts.

In July 2011, Georgia Power Company announced that it would be closing three coal-fired power plants over the next two years, due to the EPA's new regulations.

"Georgia gets more than half its energy from coal, and Georgia Power gets 60 percent or more from coal," noted Benita Dodd, vice president of the Georgia Public Policy Foundation. "So this is going to



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become a very expensive venture for Georgia ratepayers.” Georgia electricity customers will be socked by a formidable one-two economic punch, Dodd explained. “The closures are going to hurt ratepayers now, but the regulations are going to hurt when they’re implemented,” Dodd said. “These regulations are indefensible, they’re unnecessary, and they’re incredibly expensive.”

The same grim scenario is rolling out across much of the nation. “The impact of these EPA rules will be felt most severely in Illinois, Indiana, Michigan, Missouri, Ohio and Pennsylvania, which together account for more than a fourth of all U.S. manufacturing,” writes Paul Driessen, in his 2001 report, *The EPA’s Unrelenting Power Grab*, published by the Committee for a Constructive Tomorrow. “These states,” notes Driessen “rely on coal to generate 65-92% of their electricity, which keeps costs down for hundreds of companies that remain competitive nationally and internationally primarily because they can utilize energy-intensive industrial boilers, furnaces and electrical machinery, to boost their productivity per worker-hour: 6.9 to 9.4 cents per kilowatt-hour in those six states, versus 11 to 17 cents per kWh in states that generate 1-30% of their electricity with coal.”

In December 2011, the Associated Press reported that “32 mostly coal-fired power plants in a dozen states will be forced to shut down and an additional 36 might have to close because of new federal air pollution regulations.” The AP also published a list of the plants that would be shuttered. However, that list quickly became obsolete; as utilities crunched the numbers and surveyed the costs, more began throwing in the towel.

### **Politics in Play**

Senator James Inhofe (R-Okla.), ranking member of the Senate Environment & Public Works Committee, condemned EPA’s attack on coal in unsparing terms. “It’s hard to imagine that the Obama EPA is announcing a massive energy tax today on Americans at a time when they are already reeling from skyrocketing gas prices,” Inhofe stated. “So much for President Obama’s claims to be for an ‘all-of-the-above’ approach — these regulations are designed specifically to kill coal in American electricity generation, which will significantly raise energy prices on American families. This plan is the most devastating installment of the Obama administration’s war on affordable energy: it achieves their cap-and-trade agenda through regulation instead of legislation.”

The regulations to which Inhofe, Driessen, Dodd, and other critics are referring is actually a series of three EPA policy edicts unleashed by the Obama administration that include a huge array of complex mandates. They are:

- The Cross-State Air Pollution Rule (CSAPR), which requires 27 states to reduce power plant emissions of sulfur dioxide (SO<sub>2</sub>) and nitrogen oxides (NO<sub>x</sub>) from power plants in Eastern states in an effort supposedly to improve ozone and fine particulate air quality in other downwind states. Under CSAPR, EPA set new limits on SO<sub>2</sub> and NO<sub>x</sub> emissions for each state beginning in 2012. The limits tighten in some states in 2014.
- Utility MACT, which requires stringent new standards for removing mercury and other hazardous wastes.
- Policies to regulate coal combustion residuals (CCR) under the Resource Conservation and Recovery Act and to regulate cooling water intake under Section 316(b) of the Clean Water Act.
- Carbon dioxide regulations requiring new coal plants to produce no more than 1,000 pounds of CO<sub>2</sub> per megawatt of electricity.



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The first three policies outlined above are aimed at killing off existing coal-fired plants; the fourth policy, on CO<sub>2</sub>, aims at killing new coal-fired plants before they can be born.

A study released in September 2011 by National Economic Research Associates, Inc. (NERA) paints a very harrowing picture of the impact of the EPA rules on existing coal plants. The study concluded:

Over the period from 2012 to 2020, about 183,000 jobs per year are predicted to be lost on net.... The cumulative effects mean that over the period from 2012 to 2020, about 1.65 million job-years of employment would be lost. U.S. GDP would be reduced by \$29 billion each year on average over this period, with a cumulative loss from 2012 to 2020 of \$190 billion (2010\$). U.S. disposable personal income would be reduced by \$34 billion each year on average over this period, with a cumulative loss from 2012 to 2020 of \$222 billion (2010\$).

And those are conservative estimates; the NERA economists note that they do not consider several other variables that would likely drive the total costs and losses higher.

Those figures also do not include the costs that the EPA's CO<sub>2</sub> rules will impose on future energy production.

This being an election year, and with energy prices being a major campaign issue, it is not surprising that the Obama administration is trying to portray the onerous new regulations as moderate, sensible, and flexible. "Today we're taking a common-sense step to reduce pollution in our air, protect the planet for our children, and move us into a new era of American energy," said EPA Administrator Lisa Jackson in her March 27 statement announcing the CO<sub>2</sub> mandates. "We're putting in place a standard that relies on the use of clean, American made technology to tackle a challenge that we can't leave to our kids and grandkids."

Jackson concluded her statement with the incredible assertion that "EPA does not project additional cost for industry to comply with this standard."

Environmental extremists have greeted all of the EPA's attacks on coal, and especially its CO<sub>2</sub> regulations, with jubilation because they believe (the administration's current rhetoric notwithstanding) these will prove to be lethal blows to coal, the ultimate *villain d'jour* of those who identify themselves as "greens." Sierra Club Executive Director Michael Brune is overjoyed that the EPA's CO<sub>2</sub> rule would make it "nearly impossible to build a new coal plant," apparently agreeing (for once) with the American Public Power Association, which claims the new mandate will "kill coal going forward."

"EPA's action will effectively ban the construction of new coal-fired power plants," says Dr. Bonner Cohen, senior policy analyst with the Committee for a Constructive Tomorrow. He explains why that is:

Under the rule, no new power plant will be allowed to emit more than 1,000 pounds of carbon dioxide per megawatt of electricity produced. On average, U.S. coal plants emit 1,768 pounds of CO<sub>2</sub> per megawatt of electricity. The rule requires future plants to use as yet non-existent carbon capture and control technologies to cut their emissions to the new standard. With no technology available to bring down CO<sub>2</sub> emissions to the new standard, EPA, in the name of combating climate change, is effectively telling the coal industry, which produces 55 percent of our nation's electricity, that its days are numbered.

### **The "All-of-the-Above" Lie**

Striking his best moderate-sensible-flexible pose, President Obama stated, in his February 23, 2012 Miami speech on energy, that "we've got to have a sustained, all-of-the-above strategy that develops



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every available source of American energy. Yes, oil and gas, but also wind and solar and nuclear and biofuels, and more.”

Whether the President’s omission of coal in that equation was intentional or a Freudian slip, it is clear that his administration does indeed have coal in the crosshairs — and it is firing one shot after another into its intended victim. That is a terrible crime because it is killing our economy as well as killing some of our best prospects for moving toward energy independence, prosperity, and fuller employment.

In our March 19, 2012 cover story, “Coal: The Rock That Burns,” Ed Hiserodt provides a detailed report on the enormous current and potential benefits that our massive coal deposits offer, noting that the United States “is considered by many geologists as the ‘Saudi Arabia’ of coal.” He writes:

The Energy Information Agency reports the United States has a Demonstrated Reserve Base of 496 billion short tons of coal, of which 272 billion tons are considered recoverable with current technology. With U.S. usage at 1.1 billion tons per year, we have about 250 years’ supply at the present rate of consumption. But as with other energy resources — though we use millions of tons of coal — reserves rise each year as new coal seams are located.

Coal, Hiserodt points out, “provides life-saving and life-enhancing energy for America.” It is, he notes, “a resource that is proven and available. We should be very thankful for this energy miracle that provides us comfort, improves our health, and gives us more years to enjoy the blessings of life.”

However, the Obama administration seems to be packed with activists who are pathologically obsessed with obstructing our ability to utilize this “miracle rock.” At the same time, the EPA radicals are also throwing roadblocks in the way of our access to, and use of, oil, natural gas, uranium, and every other viable form of energy.



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