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January 7, 2014

MEMORANDUM

TO: Council Members

FROM: Charlie Black, Power Planning Division Director

SUBJECT: Potential Regional Approach to Clean Air Act Rules Implementation

President Obama has directed the U.S. Environmental Protection Agency to develop greenhouse gas reduction rules by summer 2015 under Section 111(d) of the federal Clean Air Act. Each state will then be required to complete a State Implementation Plan the following year.

While implementation of the Clean Air Act rules will occur at the individual state level, it is common for electricity generated at greenhouse gas-emitting power plants to be transmitted to multiple states. This has the potential to affect certain states' ability to comply with the new Clean Air Act regulations.

Angus Duncan is a former Council Member from Oregon who is now the chair of his state's Global Warming Commission. He has identified a potential opportunity for multiple states to coordinate in developing a systematic approach to compliance that recognizes cross-state use of electricity from GHG-emitting power plants. At the Council meeting on January 15, Mr. Duncan will present his thoughts on this topic, including possible participation by the Council in exploration of a regional approach to compliance.