



# New Mexico Environment Department

*PROTECTING OUR ENVIRONMENT, PRESERVING THE ENCHANTMENT*

## CLEAN POWER PLAN Overview

### How does the Clean Power Plan work?

- Section 111(d) of the Clean Air Act creates a partnership between EPA, states, tribes and U.S. territories. EPA sets performance standards while states, tribes and territories choose how they will meet them.
- EPA established interim and final carbon dioxide emission performance rates for two types of electric generating units (EGUs): (1) coal, oil and gas steam generating units; and (2) natural gas combined cycle units (NGCC).
- EPA translated these performance rates into statewide goals in two forms: rate-based (pounds of carbon dioxide per amount of energy generated) and mass-based (tons of carbon dioxide per year).
- States develop and implement plans to ensure that affected units achieve the interim (2022-2029) goals and the final (2030 and beyond) goal.

### How did EPA set the goals?

- EPA looked at 3 common improvements already being used by the electric generation industry which would not be too costly:
  1. Improve efficiency at coal-fired facilities;
  2. Increase generation at (cleaner) NGCC facilities while lowering generation from plants that are less efficient, such as coal plants; and
  3. Increase generation from renewable sources, such as wind and solar.
- EPA estimated the reductions in carbon dioxide emissions from steam and NGCC units from these improvements and determined the national rates that steam and NGCC units could achieve.
- EPA applied these performance rates to each state's fleet of steam and NGCC units to determine state goals.

### What do states have to do?

- States may choose between two plan types:
  1. Emission standards plans – Plans specify requirements for CO<sub>2</sub> emissions reductions for steam and NGCC generators to meet either the national performance rates (in pounds per quantity of energy) or state goals (either in pounds per quantity of energy or tons per year); or
  2. State measures plans – Plans may include requirements for CO<sub>2</sub> emissions reductions for steam and NGCC generators along with other measures, such as state energy efficiency programs, renewable energy programs and energy-efficient building codes.
- States can choose from many options when designing plans, depending on other energy, environmental and economic goals. EPA allows many options, including trading, but prefers that states choose what works best for them.
- If states do not submit an appropriate plan by the deadline, EPA will apply and enforce an EPA-designed plan on those states. The states would then have very little choice in how the plans would be designed.

### **What is New Mexico planning to do?**

New Mexico believes that we are in a good position to meet the goals that EPA established for the state. We also believe that the State will be able to create a better plan than EPA would create for us. With this in mind, the New Mexico Environment Department has set up a team to work on developing a State Plan.

The Clean Power Plan team will consider perspectives from all who may be affected by the Plan – including those who work in the industry, those who pay electric bills and those who work to improve the environment. After hearing initial perspectives, the State plans to make its first submittal by September 6, 2016. This submittal will inform EPA of options the State thinks will work best for New Mexico and will also request additional time to submit a final plan.

The New Mexico Environment Department will then draft a State Plan with the options that work best for New Mexico and its citizens. The final State Plan must be approved by the New Mexico Environmental Improvement Board and the U.S. EPA.

The New Mexico Environment Department will share information through several channels. These include:

- Clean Power Plan web page (<https://www.env.nm.gov/aqb/CPP.htm>)
- An email distribution list for announcements (register at <https://public.govdelivery.com/accounts/NMED/subscriber/new>), or request to be added to the distribution list by sending an email to [NMENV-NMCP@state.nm.us](mailto:NMENV-NMCP@state.nm.us) or calling (505) 476-4300

Comments (or questions) may be delivered to the Clean Power Plan Team in several ways:

- Email ([NMENV-NMCP@state.nm.us](mailto:NMENV-NMCP@state.nm.us))
- Written comments mailed to:  
Clean Power Plan Team  
Air Quality Bureau  
525 Camino de los Marquez, Suite 1  
Santa Fe, New Mexico 87505
- In person – organizations may request a meeting via email or phone (505) 476-4300