

SECOND REGULAR SESSION

[CORRECTED]

# House Concurrent Resolution No. 30

## 97TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES FRANKLIN (Sponsor), JONES (110), DIEHL, HOSKINS, HUMMEL, CRAWFORD, RICHARDSON, SPENCER, RIDDLE, DUGGER, WALKER, PFAUTSCH, GUERNSEY, LOVE, REMOLE, ALLEN, SCHATZ, MUNTZEL, ANDERSON, JONES (50), MCCAHERTY, ROWLAND, BERNSKOETTER, BERRY, HANSEN, NEELY, MCGAUGH, HAMPTON, HIGDON, KOLKMEYER, WOOD, JUSTUS, FITZPATRICK, ENTLICHER, ZERR, HOUGHTON, MOON, HURST, LANT, CORNEJO, LAIR, DOHRMAN, BROWN, CONWAY (10), LAUER, CROSS, MILLER, LICHTENEGGER, WHITE, FRAKER, FREDERICK, REDMON, SCHIEBER, SHUMAKE, PHILLIPS, SHULL, LYNCH, PIKE, STREAM, WILSON, BURNS, BLACK, HARRIS, MIMS AND MORRIS (Co-sponsors).

6022L.01P

2       **WHEREAS**, domestically produced coal has been and continues to be used as a fuel to  
3 produce over 80% of the electricity generated by the state's investor-owned electric utilities,  
4 municipally owned utilities, and rural electric cooperatives; and

5       **WHEREAS**, the state's heavy reliance on coal as a fuel source for Missouri's base-load  
6 electric generation is due primarily to coal being abundant, available, reliable, and comparatively  
7 much less expensive than virtually all other available fuels; and

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9       **WHEREAS**, on June 25, 2013, the President of the United States issued a memorandum  
10 to the Administrator of the United States Environmental Protection Agency directing the EPA  
11 to:

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13       (1) Move forward with a new proposal to implement national standards for carbon  
14 dioxide (CO<sub>2</sub>) emissions from the new fossil fuel-fired electric power plants by issuing a  
15 proposed rule no later than September 20, 2013;

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17       (2) Use the EPA's authority under Sections 111(b) and 111(d) of the federal Clean Air  
18 Act to issue no later than June 1, 2014, standards, regulations, or guidelines that address carbon  
19 pollution from modified, reconstructed, and existing power plants; and

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21       **WHEREAS**, the EPA already has issued its proposed rules and regulations for new fossil  
22 fuel-fired electric power plants and is expected to issue its proposed rules and regulations for  
23 existing fossil fuel-fired power plants by June 1, 2014, with implementation by June 2015; and

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25       **WHEREAS**, the EPA's proposed regulations for new power plants would require all new  
26 coal-fired electric power plants to utilize carbon capture and storage (CCS) technology,  
27 otherwise known as "sequestration", to capture and store CO<sub>2</sub> underground in order to meet the

28 EPA's new stringent emission limits, even though such sequestration technology is not yet  
29 economical or even widely commercially available; and

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31 **WHEREAS**, according to the Congressional Budget Office, engineers have estimated  
32 this sequestration technology would increase the cost of producing electricity from new coal-  
33 fired electric power plants by 75%; and

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35 **WHEREAS**, a significant amount of additional electricity, estimated to be approximately  
36 30% or more and known in the industry as "parasite load", would have to be generated by the  
37 power plant solely for the purpose of operating such new sequestration technology, making such  
38 additional power unavailable for use but still paid for by Missouri's electric consumers; and

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40 **WHEREAS**, even the EPA admits that "today's CCS technologies would add around  
41 80% to the cost of electricity for a new pulverized coal (PC) plant"; and

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43 **WHEREAS**, these regulations in practical effect will make it economically impossible  
44 to build new coal-fired electric power plants in the future in order to meet the future electric  
45 generation needs of Missourians; and

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47 **WHEREAS**, these regulations will in effect completely remove coal as a domestic,  
48 abundant, reliable, and affordable fuel source for electric generation in the future; and

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50 **WHEREAS**, a reliable, affordable energy supply is vital to the nation's future economic  
51 growth, security, and quality of life; and

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53 **WHEREAS**, it should be clear public policy of the United States to pursue an "all of the  
54 above" approach by promoting, and not discouraging or eliminating, any one or more domestic  
55 potential fuel source for electric generation by new or existing power plants; and

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57 **WHEREAS**, the EPA's proposed regulations for existing power plants, while not yet  
58 made public, can reasonably be expected to follow the approach taken by the EPA in its proposed  
59 rules for new plants, and in any event, certainly will be designed to drastically reduce CO2  
60 emissions from existing coal-fired electric power plants; and

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62 **WHEREAS**, stricter emission standards imposed by the EPA on Missouri's existing  
63 coal-fired electric power plants necessarily will translate into higher electric costs that necessarily  
64 must be paid for by all Missouri consumers, either directly in higher electric rates, or indirectly  
65 through higher costs for other goods and services; and

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67 **WHEREAS**, higher electric rates translate into an economic competitive disadvantage  
68 for Missouri and added economic stress in an already struggling state economy; and

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70           **WHEREAS**, electric rate increases in recent years continue to be a heavy burden for  
71 customers served by the state's investor-owned and municipally-owned electric utilities,  
72 especially low-income residential customers, small businesses, and large manufacturers who are  
73 struggling to survive in an increasingly competitive world market; and

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75           **WHEREAS**, increasing costs for electricity will hit especially hard residential electric  
76 users living in rural Missouri who are served by Missouri's electric cooperatives where 50% of  
77 electric cooperative members are over 55 years old, 37% are retired or on a fixed income, 40%  
78 have gross household incomes of less than \$50,000 per year, and 16% make less than \$25,000  
79 per year; and

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81           **WHEREAS**, approximately 40 million American families nationally earn less than  
82 \$30,000 per year and spend almost 20% of their budgets on energy costs; and

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84           **WHEREAS**, Missouri currently enjoys some of the lowest electric rates in the nation due  
85 to its reliance on coal-fired electric generation while other states that do not rely on coal have  
86 some of the highest electric rates; and

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88           **WHEREAS**, each state has different needs and should be permitted to primarily rely on  
89 its own state utility and environmental regulators to craft and implement emission performance  
90 systems that reflect the policies, energy needs, fuel resource mix, and unique economic  
91 considerations of each state and region:

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93           **NOW, THEREFORE, BE IT RESOLVED** that the members of the House of  
94 Representatives of the Ninety-seventh General Assembly, Second Regular Session, the Senate  
95 concurring therein, hereby strongly urge the Environmental Protection Agency to use some basic  
96 common sense and reject any federal fossil fuel emission rules or regulations that would have  
97 the practical effect of removing coal as a viable fuel option for both new and existing electric  
98 generation in the State of Missouri and elsewhere, and to adopt only such rules and regulations  
99 that allow state utility and environmental regulators maximum flexibility and discretion in  
100 implementing the same; and

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102           **BE IT FURTHER RESOLVED** that the Chief Clerk of the Missouri House of  
103 Representatives be instructed to prepare properly inscribed copies of this resolution for Gina  
104 McCarthy, Administrator of the Environmental Protection Agency, and each member of the  
105 Missouri Congressional delegation.

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