Press Release

The Impact of the Affordable Clean Energy Rule on the Regulatory Budget Outlook

ALLISON EDWARDS | JUNE 20, 2019

Yesterday the Environmental Protection Agency’s (EPA) administrator signed the final Affordable Clean Energy (ACE) rule to replace the Obama Administration’s Clean Power Plan (CPP) — a rule aimed at reducing greenhouse gas emissions from the power sector. AAF’s Director of Regulatory Policy Dan Bosch provides an overview of the ACE rule and discusses its implications on the fiscal year 2019 regulatory budget.

An excerpt:

The proposed ACE rule and the proposed CPP repeal rule each had large savings estimates ($6.4 billion and $51.6 billion, respectively). These estimates were calculated against a baseline in which the Obama CPP was fully implemented. For the final ACE rule, the EPA changed its approach entirely, estimating the impact of the rule against a world where there was never a CPP. The EPA justifies this decision based on A) its belief that the CPP was unlawful, and B) the fact that the electricity sector is on pace to achieve the CPP’s targets even without the CPP, as new information indicates.

The key ramification of this change is that rather than generating $58 billion in regulatory savings, the ACE rule instead imposes $970 million in costs.

Read the analysis.