

Insight

Reading Between the Lines on The Power Plant Rule

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Regulating the energy sector and specifically power plants is a key topic in the news today, with one leading progressive calling for an expansion of the EPA's proposed power plant rule. What does this EPA rule mean for consumers?

Energy Prices

Energy regulations from this administration could result in over a 10 percent increase in consumers' energy bills . The largest component comes from the Environmental Protection Agency's (EPA) regulation against existing power plants. That regulation alone is estimated to cause a 6.5 percent price hike in electric bills.

The rule, as currently proposed, imposes \$21.7 billion in regulatory costs for compliance. Additionally, other environmental and energy regulations over the last six years, have added hundreds of billions in regulatory costs, according to Obama Administration estimates. These costs have many effects, particularly driving energy prices higher for consumers and resulting in fewer energy-sector jobs.

Jobs

AAF research found that the EPA's proposed clean power plant rule would put 296,000 jobs at risk and would force at least 93 plants to close. The closure of these plants has large ancillary effects, eliminating jobs in small towns in Ohio, Kentucky, West Virginia, and more. With the mounting regulations against coal and natural gas power plants, businesses are facing the prospect of complying with onerous regulations, which has meant laying off workers or shuttering for good.

The four graphs below show how the existing regulatory policies have impacted the power plant industry:

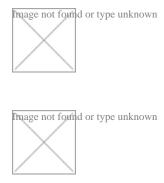


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