

FEATURE ISSUE

HOUSE REPUBLICAN CONFERENCE
Chair Cathy McMorris Rodgers

EPA Regulations under President Obama: [Consequences of EPA Regulations](#) | [Additional Resources](#)

Policy Feature Issue: EPA Regulations under President Obama

Since 2009, the Obama Administration has proposed or finalized thousands of pages of costly regulations, including many that impact the energy sector.¹ In some cases, the regulations impose costs of more than \$1 billion each.² Collectively, their combined impact on energy costs and on the overall U.S. economy has the potential to be staggering.

Burdensome regulations not only increase energy costs, but also may drive certain energy producers out of the market entirely, further limiting U.S. access to diverse energy sources. For example, one forecast projects that plants responsible for 20% of the nation's coal-fired generation will be lost by 2017 due at least in part to new EPA regulations.³ When power plants are shuttered, Americans are faced with fewer jobs, reduced energy supply, higher energy costs for consumers and manufacturers, and higher prices for goods and services.

The abundance of domestic energy sources has been a bright spot in the economy despite the recent downturn. Yet, despite this success, on June 25, 2013, President Obama announced plans to impose additional regulations on new and existing fossil-fuel power plants. The announcement represents more of the same, as the Administration continues its regulatory assault on the energy sector.

Consequences of EPA Regulations:

- **Burdensome Implementation and Compliance Costs:** Of the many of EPA regulations proposed and finalized, the annual cost of complying with six key final or pending regulations—the Utility MACT, CSAPR, Boiler MACT, Coal Combustion Residuals, Cooling Water Intake Structures, and Ozone NAAQS rules—is estimated to reach as much as \$111 billion each year, in addition to upfront costs of more than half a trillion dollars.⁴
- EPA has estimated that the already finalized Utility MACT rule will impose approximately \$35 billion in new capital costs and projects the compliance costs of the rule to be \$9.6 billion annually. In addition, EPA's proposed ozone standards, which were withdrawn in 2011, are expected to be re-proposed. Estimated costs by the agency are expected to reach between \$19 billion and \$90 billion annually.⁵

¹ See, e.g., James E. McCarthy & Claudia Copeland, *EPA Regulations: Too Much, Too Little, or On Track?* (Apr. 2013, Congressional Research Service); see also, e.g. *Major EPA Regulations Affecting Coal-Fueled Electricity*, American Coalition for Clean Coal Electricity (May 2013).

² See *House Energy and Commerce Committee Memorandum: Hearing on H.R. ___, the "Energy Consumers Relief Act of 2013"* (Apr. 2013) at 2.

³ *War on Coal Claims More Casualties*, House Energy and Commerce Committee (Jan. 8, 2013).

⁴ Nam D. Pham & Daniel J. Ikenson, *A Critical Review of the Benefits and Costs of EPA Regulations on the U.S. Economy* (Nov. 2012, ndp consulting) at 12.

⁵ *House Energy and Commerce Committee Memorandum* at 2.

- Higher Energy Costs: An analysis of the six key regulations identified above projects that the price of electricity will rise by as much as 6.6%, with consumer and business prices being impacted as well.⁶
- Job Losses and Reduced Economic Output: One survey estimates that the cumulative impact of EPA's proposed regulations could, in a worst-case scenario, cut annual U.S. output by as much \$630 billion and 4.2 percent of GDP, and result in the loss of more than 9 million jobs.⁷
- A 2011 study found that EPA regulations applicable to the cement manufacturing sector alone "could result in the direct loss of 3,000 to 4,000 jobs in the cement industry by 2015" and the loss of 12,000 to 19,000 jobs in the construction industry.⁸
- Reduced Access to Diverse Energy Sources: Many coal-fired electric generating units are shutting down because of EPA's costly regulations. As of June 2013, 288 units in 32 states were announced to be closing, at least in part, due to EPA policies. These units represent over 41,000 megawatts of electricity.⁹

Additional Resources:

- State-By-State Analysis of the Impact of EPA Regulations: [*Economy Derailed: State-By-State Impacts of the EPA Regulatory Train Wreck*](#), American Legislative Exchange Council (Apr. 2012).
- Survey of 46 Major or Controversial EPA Regulations since 2009: James E. McCarthy & Claudia Copeland, [*EPA Regulations: Too Much, Too Little, or On Track?*](#) (Apr. 2013, Congressional Research Service).

⁶ *A Critical Review of the Benefits and Costs of EPA Regulations on the U.S. Economy* at 3.

⁷ *Id.*

⁸ [*Overview Impact of Existing and Proposed Regulatory Standards on Domestic Cement Capacity*](#), Portland Cement Association (Jan. 2011) at 1.

⁹ [*Coal Unit Shutdowns*](#), American Coalition for Clean Coal Electricity (June 20, 2013).