



June 25, 2013

MEMORANDUM FOR THE ADMINISTRATOR OF THE
ENVIRONMENTAL PROTECTION AGENCY

SUBJECT: Power Sector Carbon Pollution Standards

With every passing day, the urgency of addressing climate change intensifies. I made clear in my State of the Union address that my Administration is committed to reducing carbon pollution that causes climate change, preparing our communities for the consequences of climate change, and speeding the transition to more sustainable sources of energy.

The Environmental Protection Agency (EPA) has already undertaken such action with regard to carbon pollution from the transportation sector, issuing Clean Air Act standards limiting the greenhouse gas emissions of new cars and light trucks through 2025 and heavy duty trucks through 2018. The EPA standards were promulgated in conjunction with the Department of Transportation, which, at the same time, established fuel efficiency standards for cars and trucks as part of a harmonized national program. Both agencies engaged constructively with auto manufacturers, labor unions, States, and other stakeholders, and the resulting standards have received broad support. These standards will reduce the Nation's carbon pollution and dependence on oil, and also lead to greater innovation, economic growth, and cost savings for American families.

The United States now has the opportunity to address carbon pollution from the power sector, which produces nearly 40 percent of such pollution. As a country, we can continue our progress in reducing power plant pollution, thereby improving public health and protecting the environment, while supplying the reliable, affordable power needed for economic growth and advancing cleaner energy technologies, such as efficient natural gas, nuclear power, renewables such as wind and solar energy, and clean coal technology.

Investments in these technologies will also strengthen our economy, as the clean and efficient production and use of electricity will ensure that it remains reliable and affordable for American businesses and families.

By the authority vested in me as President by the Constitution and the laws of the United States of America, and in order to reduce power plant carbon pollution, building on actions already underway in States and the power sector, I hereby direct the following:

Section 1. Flexible Carbon Pollution Standards for Power Plants. (a) Carbon Pollution Standards for Future Power Plants. On April 13, 2012, the EPA published a Notice of Proposed Rulemaking entitled "Standards of Performance for Greenhouse Gas Emissions for New Stationary Sources: Electric Utility Generating Units," 77 Fed. Reg. 22392. In light of the information conveyed in more than two million comments on that proposal and ongoing developments in the industry, you have indicated EPA's intention to issue a new proposal. I therefore direct you to issue a new proposal by no later than September 20, 2013. I further direct you to issue a final rule in a timely fashion after considering all public comments, as appropriate.

(b) Carbon Pollution Regulation for Modified, Reconstructed, and Existing Power Plants. To ensure continued progress in reducing harmful carbon pollution, I direct you to use your authority under sections 111(b) and 111(d) of the Clean Air Act to issue standards, regulations, or guidelines, as appropriate, that address carbon pollution from modified, reconstructed, and existing power plants and build on State efforts to move toward a cleaner power sector. In addition, I request that you:

(i) issue proposed carbon pollution standards, regulations, or guidelines, as appropriate, for modified, reconstructed, and existing power plants by no later than June 1, 2014;

(ii) issue final standards, regulations, or guidelines, as appropriate, for modified, reconstructed, and existing power plants by no later than June 1, 2015; and

(iii) include in the guidelines addressing existing power plants a requirement that States submit to EPA the implementation plans required under section 111(d) of the Clean Air Act and its implementing regulations by no later than June 30, 2016.

(c) Development of Standards, Regulations, or Guidelines for Power Plants. In developing standards, regulations, or guidelines pursuant to subsection (b) of this section, and consistent with Executive Orders 12866 of September 30, 1993, as amended, and 13563 of January 18, 2011, you shall ensure, to the greatest extent possible, that you:

(i) launch this effort through direct engagement with States, as they will play a central role in establishing and implementing standards for existing power plants, and, at the same time, with leaders in the power sector, labor leaders, non-governmental organizations, other experts, tribal officials, other stakeholders, and members of the public, on issues informing the design of the program;

(ii) consistent with achieving regulatory objectives and taking into account other relevant environmental regulations and policies that affect the power sector, tailor regulations and guidelines to reduce costs;

(iii) develop approaches that allow the use of market-based instruments, performance standards, and other regulatory flexibilities;

(iv) ensure that the standards enable continued reliance on a range of energy sources and technologies;

(v) ensure that the standards are developed and implemented in a manner consistent with the continued provision of reliable and affordable electric power for consumers and businesses; and

(vi) work with the Department of Energy and other Federal and State agencies to promote the reliable and affordable provision of electric power through the continued development and deployment of cleaner technologies and by increasing energy efficiency,

including through stronger appliance efficiency standards and other measures.

Sec. 2. General Provisions. (a) This memorandum shall be implemented consistent with applicable law, including international trade obligations, and subject to the availability of appropriations.

(b) Nothing in this memorandum shall be construed to impair or otherwise affect:

(i) the authority granted by law to a department, agency, or the head thereof; or

(ii) the functions of the Director of the Office of Management and Budget relating to budgetary, administrative, or legislative proposals.

(c) This memorandum is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, or entities, its officers, employees, or agents, or any other person.

(d) You are hereby authorized and directed to publish this memorandum in the *Federal Register*.

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