

ENERGY GUARDIAN

Newsmaker: Helme says natural gas gives Obama 'high ground' on carbon



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By [Edward Felker](#) on May 31, 2013

President Barack Obama can make a winning argument for limiting carbon emissions from existing power plants by stressing the jobs that will come from transitioning to natural gas, the head of the Center for Clean Air Policy says.

But Ned Helme tells EnergyGuardian the president must act soon to finalize proposed rules on new and modified plants if he is to get a standard for existing plants in place before leaving office.

"I think they've got the high ground there," he said of Obama's ability to withstand likely opposition from Republicans and coal-state Democrats, who fear higher electricity prices from the retirement or retrofitting of existing coal-fired power plants.

"You could make a very strong case that the economics of this are good for Ohio, Illinois and Indiana, and even West Virginia. We're talking about gas, we're talking about more jobs, broader economic growth in the region," he said in an interview.

That argument could trump the accusation that Obama is simply anti-coal, Helme added.

While the Environmental Protection Agency would be required under the Clean Air Act to let states draw up their own plans to meet the standard, it's likely the standard would mean more natural gas power and less from coal.

It would also prompt greater energy efficiency improvements, Helme said, particularly through the use of combined heat and power generation systems by industry. Those actions could also help a state meet the standard depending on how it sets up its compliance program to meet the federal mandate.

Helme's center is a nonprofit, nonpartisan think tank that for the last three decades has worked with state and federal policymakers and industry leaders to address clean air solutions.

In its proposal for new plants, EPA set a carbon emissions standard at the level of an advanced natural gas plant, leading critics to say Obama is effectively banning new coal plants.

EPA has said any new coal plants that employ carbon capture systems would meet the standard, but that technology is considered to be a decade or more away from commercial viability. The agency plans to finalize the rule this year.

The greater reliance on gas at existing plants is not bad news, Helme says, because the shale gas boom is already making it cheaper for electricity generators to switch to gas rather than upgrade coal plants to meet tougher traditional pollution regulations.

Helme said the gas boom is prompting more industrial activity to support hydraulic fracturing in the Midwest, along with renewed interest in U.S. production by chemical producers and other users. Those trends would be supported by a greenhouse gas standard that relies on the lower carbon output from gas, he said.

"There's a very positive story the administration can present that's around (the idea that) it's for these these regs -- saying we're going to get cleaner air, we're going to work on the climate and we're getting jobs and we're getting economic development that benefits the region."

He said a new standard could be implemented by 2020 or possibly sooner if it is finalized soon enough to let states draw up implementation plans by 2016.

That would coincide with Obama's final year in office and effectively make it difficult for his successor to delay implementation.

Helme, whose nonpartisan think tank holds regular meetings with industry, government officials and environmental groups through its U.S. Climate Policy Initiative, acknowledges that not all stakeholders will be supportive of a standard that relies on gas.

Some generators and trade groups are likely to oppose any government endorsement of gas over coal. The Edison Electric Institute, for instance, has called on EPA to issue a final carbon rule for new plants that sets a separate standard for coal-fired power plants based on existing technology.

Helme said he still expects a number of companies will embrace a gas-reliant standard on existing generation, especially industrial generators if they get credit for efficiency improvements.

"There will be some winners, that's always important whenever you're doing a regulation, you want a bunch of winners," Helme said.

"If everybody loses, it's not going to pass. I think in this case that there's a good case that there's a lot of winners, more winners than losers," he added.

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