

Speed up air pollution reduction

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Climate change is a global scourge that requires action by everyone. American efforts to protect the planet are particularly vital to prevent the worst impacts. What most people don't realize, however, is that these efforts will be implemented by the states -- and that could be a very good thing.

President Obama's plan for addressing climate change calls for reducing carbon pollution 17 percent below 2005 levels by 2020. The cornerstone is his directive to the Environmental Protection Agency to issue standards, regulations or guidelines that address carbon pollution from existing power plants.

Once the EPA does this, power plant policy that reduces harmful carbon dioxide pollution will shift to the states. They, in turn, will set the power plant standards and assemble their own recommendations for meeting the standards based on their individual conditions.

To do their task well, states will need time. Indeed, EPA needs to move faster than the president has suggested so that the final standards work well with the states' legislative calendars.

EPA should release its proposed standards early in 2014 and finalize them as early as possible in 2015 so that states can act during the 2015 legislative session. This is faster than the current timetable that the president set of having final standards no later than June 1, 2015, but is achievable nonetheless and is more likely to yield successful and timely state plans.

In addition, the states will also need more flexibility. They should be given wiggle room on methods of compliance. This will reduce the cost to industry and to state governments, while still getting the job done.

One boon to the outlook is Obama's emphasis on the role of natural gas in lowering emissions. Cleaner-burning than coal, natural gas offers an important way to lower emissions while supporting U.S. jobs. Yet the U.S. doesn't take full advantage of its natural gas infrastructure. A study out of the Massachusetts Institute of Technology shows that there is sufficient surplus natural gas capacity to replace roughly a third of U.S. coal generation. If utilized, this could reduce carbon emissions from the power sector by 20 percent.

Adoption of combined heat and power (CHP) technologies by industrial sources can also play a significant role by increasing efficiency and cutting energy waste. CHP is the simultaneous production of electricity and heat from a single fuel source. McKinsey & Co., a management consulting firm, has estimated that there are 50.4 gigawatts of cost-effective CHP that can be deployed by 2020. The Department of Energy estimates that the production of 40 extra gigawatts from the technology would result in a yearly savings of \$10 billion to energy users and a reduction of 150 million metric tons of carbon emissions per year.

By making use of these technologies and renewable energy, states can create a lower carbon future. Use of a flexible approach will minimize costs of meeting the standard while potentially leading to cost savings for companies and institutions that deploy CHP or other energy-saving technologies. And all of this can improve the competitiveness of American manufacturing.

The question now is - when can the states get to work? Because many states require statutory action to change their clean air rules, getting them the standards as close as possible to the beginning of the legislative session in 2015 will certainly help.

Obama's directive is only the first step in what promises to be a shift toward cleaner and more efficient power production. State-based flexibility will increase the chances that local economies will benefit from or at least not be penalized by the changes.

Strong yet flexible guidance – on an accelerated timetable –from Washington will lead to sensible clean energy solutions. The U.S. has a real shot at assuming a leadership role in combating global climate change and protecting the planet.

Helme is the founder and president of the Center for Clean Air Policy.