

Common Elements Approach to Multistate Coordination under the Clean Power Plan

The Future of Electric Power in the South
Clean Power Plan: Compliance Strategies and Options

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Benefits of 111d Multistate Compliance Markets

- Prospective CPP modeling shows compliance savings from utilizing multistate markets
 - RFF, BPC, PJM, MISO, NI, GT
 - Prior success: Acid rain program
- Better match electricity system footprints
- Reduced volatility
- Flexibility
 - Unanticipated carbon reduction opportunities

Barriers to Multistate Compliance

- Regulatory resources
- EGUs/states agreement on compliance approach
- Political challenges

Common elements: middle ground

Common elements

- Common definition tradable unit
 - Individual state plan
- Allow EGUs to use tradable compliance instrument
- Tracking system to ensure no double counting

Does not require: agreement on compliance plan approaches, mandatory compliance market, explicit state partners

RECs Example

- Separate state laws define RECs, tracking systems
 - NC, MO, KS → NC RETS, North American Registry

Existing registries for carbon credits, carbon offsets, EE credits, REC

EGUs, States and EPA experience with allowance tracking under Title IV, CAIR, CSAPR

Common Elements Benefits

- State autonomy
- Operator choice
- Increased supply credits and market for credits
- Administrative ease
- Do not need to designate trading partners

Common Elements State Considerations

- Rate or Mass
 - Rate based may need to align EE protocols
- Tracking system
 - State system
 - Common registries
 - EPA registry

Nicholas Institute policy brief

http://nicholasinstitute.duke.edu/sites/default/files/publications/ni_pb_15-01.pdf

Thank You

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