

## EPA turning regulatory eyes to natural gas, expert says

Steve Wilson

February 4, 2015

A former Environmental Protection Agency regulator warns that while the Obama administration now has coal in its crosshairs, natural gas is next in line.

David Schnare cites a proposed rule on methane emissions as one of the ways President Obama and the EPA will clamp down on natural gas. The 33-year EPA veteran, who once sued utilities for coal-fired plants that didn't meet Clean Air Act standards, is director of the Center of Energy and Environmental Stewardship at the Thomas Jefferson Institute for Public Policy.

Schnare said the EPA — as part of its "Clean Power Plan" rule that would largely put coal-fired power plants out of business — is contemplating forcing natural gas plants to increase their capacity from 46 percent to 70 percent to reduce carbon emissions by working them harder to replace older generation units that emit more carbon dioxide. This would lead to equipment failures as turbines designed for the lower workload could not endure a heavier one. Their carbon dioxide emissions would also be more regulated "at the very limit" of present technology. "They've already started to pursue methane pollution, which the industry has been trying to control for a very long time, because that's their product," Schnare told Mississippi Watchdog. "The cost of running the drilling equipment, the pipelines and the plants themselves are being tightened."

Schnare, general counsel for the Energy and Environment Legal Institute, testified Monday before a combined hearing of the public utility committees of the Mississippi House and Senate. Schnare told lawmakers the EPA would have "blood on its hands." The rule, he said, will cost consumers nationally more than \$360 billion and cost more than 60,000 lives. He recommended the Mississippi Department of Environmental Quality be absolved — via resolution or law — from complying.

If the EPA decides to continue its crusade against fossil fuels, with natural gas next, its fight against coal provides the template. Obama fired the first salvo during the 2008 campaign in an interview with the San Francisco Chronicle.

"So if somebody wants to build a coal power plant, they can," Obama said. "It's just that it will bankrupt them because they are going to be charged a huge sum for all that greenhouse gas that's being emitted"

Patrick Michaels, director of the Center for the Study of Science at the libertarian Cato Institute, said the new regulations would effectively eliminate coal-fired power plants. He dismissed as naive the administration's hope that carbon reductions in the United States would compel other nations to reduce theirs.

"It really doesn't matter what state it is," Michaels said. "These regulations are going to make it impossible to burn coal for electrical generation. He's fulfilling his campaign promise. He (Obama) kept his word."

Ten states, including Colorado and California, are already working toward compliance.

The EPA claims the rule would cut carbon dioxide emissions 30 percent nationwide from 2005 levels and would save more than \$93 million in health-care and other costs. Under the rule, each state has its own emissions-reduction target and will develop a plan to address its goal. Despite getting only 13 percent of its electrical power from its three coal-fired power plants, Mississippi will have to reduce its carbon emissions by 40 percent.

Even if the Obama administration doesn't pursue additional measures — besides the regulations on methane and plant efficiency — natural gas prices would increase as coal plants are replaced or converted to burn natural gas.

"Of course they will go up," Michaels said. "With natural gas prices as low as they are, you don't see it immediately. It's going to get higher. Prices now are discouraging exploration at some of the shale gas sites. Prices are going to go up and people are going to see it on their utility bills."