



# Clean Power Plan Update

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# Litigation – Unprecedented Developments

- October 23, 2015
  - Clean Power Plan published in Federal Register
  - Immediate court challenges – lead case is *West Virginia vs EPA*
  - DC Circuit Court consolidates all cases on October 26, 2015
- January 1, 2016
  - DC Circuit Court denies motions to stay the rule pending litigation
  - Expedited briefing setting oral arguments for June 2
- February 9, 2016
  - Supreme Court stay of rule pending litigation in the DC Circuit Court
  - 5 to 4 in favor of stay
  - Stay Criteria
    - “Reasonable Probability” the court would grant certiorari
    - “Fair Prospect” for reversal of lower court ruling
    - “Likelihood that irreparable harm will result from the denial”
- February 13, 2016
  - Death of Justice Antonin Scalia
- May 16, 2016
  - DC Circuit Court reschedules oral argument for September 27
  - Case to be heard before an en banc court

# Arizona Clean Power Plan Implementation

- **ADEQ will continue to plan for implementation, but at a reduced level of effort**
  - Stakeholder meetings suspended
  - Technical working group meeting less often
- **Discussion topics**
  - Rate vs Mass Compliance
    - Arizona Utility Group (AUG) modeling
  - Potential for trading between rate and mass
    - SRP proposal
  - Center for New Energy Economy CPP Modeling Tool
  - ASU Modeling
  - <http://www.azdeq.gov/environ/air/phasethree.html>

# Summary of Base Case State Rate and Mass Analysis Coal Reduction and ERCs from Renewables and Efficiency Position Arizona for Compliance Under Rate Goal

- This analysis suggests that Arizona is well positioned for rate approach based on the Base Case outlook due to increased reliance on gas expected and significant energy efficiency and new renewables.
- Arizona meets CPP interim goal under a rate-based approach – falls slightly short of meeting final goal.
  - ERCs banked during interim period could be used to meet compliance with final goal.
- On a mass basis, Pace Global projects a net annual allowance deficit that would equate to retiring another ~1,900 MW of coal to comply by 2030.

