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August 5, 2015

RE: Consumer Groups Oppose S. 1324, ARENA Act

Dear Senator,

We urge you to oppose Sen. Capito's Affordable Reliable Energy Now (ARENA) Act, S. 1324. This bill effectively blocks the EPA from issuing rules to curb carbon pollution from new or existing power plants. It also permits states to opt out of the EPA's recently finalized rule on existing power plants, known as the Clean Power Plan, and it would delay the rule's implementation until every lawsuit challenging it has completed, a process that could take decades.

The ARENA Act is framed largely as a consumer protection measure, but it is the opposite. It permits any state to opt out of the Clean Power Plan if the governor finds that implementing the rule would "have a negative effect" on "the electricity ratepayers of the State, including low-income ratepayers, by causing electricity rate increases." These provisions misconstrue the Clean Power Plan, which is good for consumers. And they are mistaken to focus on electricity *rates*, which may rise modestly under the Plan, rather than consumers' actual electricity *bills*, which should go down.

The Clean Power Plan will benefit consumers. Climate change poses a severe threat to American consumers and in particular to vulnerable populations. A few of the most salient risks include:

- higher taxes and market prices to cover the costs of widespread damage to property and infrastructure from extreme weather;
- diminished quality and higher prices for food and water, heightening food insecurity for America's most vulnerable populations; and
- increased illness and disease from extreme heat events, reduced air quality, increased food-borne, water-borne, and insect-borne pathogens.¹

By curbing carbon pollution, the Clean Power Plan will benefit consumers by mitigating these harms.

¹ See U.S. GLOBAL CHANGE RESEARCH PROGRAM, HIGHLIGHTS OF CLIMATE CHANGE IMPACTS IN THE UNITED STATES: THE THIRD NATIONAL CLIMATE ASSESSMENT 8–9, 12–13, 33–47 (2014).

The Clean Power Plan should *lower* consumers' electricity bills. As a general matter, the Clean Power Plan is likely to lower consumer costs, not raise them, because it will spur improvements in energy efficiency. Although electricity prices may rise modestly under the Plan, consumers will use less electricity. This should result in lower bills overall. The EPA projects that the Plan will lower consumer bills by 8.4 percent by 2030.² A Public Citizen analysis of the proposed rule found that the EPA estimate is conservative, overestimating the cost of efficiency programs and underestimating how much progress the states can make on efficiency. Consumer costs are likely to decline by even more than the agency projects.³

States should serve their consumers and protect vulnerable populations. If these consumer benefits do not materialize, then it is likely the states, not the EPA, who will bear responsibility. The states can take a lead role in implementing the Clean Power Plan by writing their own compliance plans. State policymakers can choose to implement the Plan in a manner that benefits or harms ratepayers. The Act is wrong to excuse the states from those duties and suggest that the responsibility for harming consumers lies with section 111(d) of the Clean Air Act, a statute that protects the public by safeguarding our health.

We strongly encourage members to oppose the misnamed Affordable Reliable Energy Now Act and to support the Clean Power Plan. Thank you for considering our views, and please feel free to contact David Arkush for further information at darkush@citizen.org or (202) 454-5132.

Sincerely,

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² EPA, REGULATORY IMPACT ANALYSIS FOR THE PROPOSED CARBON POLLUTION GUIDELINES FOR EXISTING POWER PLANTS AND EMISSION STANDARDS FOR MODIFIED AND RECONSTRUCTED POWER PLANTS Table 3-43 (2014).

³ See PUBLIC CITIZEN ET AL. COMMENTS ON CLEAN POWER PLAN, 7-10 (2014), <http://pubc.it/1tT1Az2>.

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