

Congress of the United States
Washington, DC 20515

November 24, 2014

The Honorable Gina McCarthy
Environmental Protection Agency
1200 Pennsylvania Avenue, N.W.
Washington, DC 20460

Dear Administrator McCarthy:

We are writing to express our strong concerns regarding the ramifications the proposed carbon emissions rule for Existing Electric Utility Generating Units, also known as the Clean Power Plan (CPP), will have on our Florida constituents. The proposed rule's implementation timeline may be impossible for many states and utilities to comply with, hurt the reliability of the nation's electrical grid, and considerably raise electricity prices for ratepayers. At a time when America still faces significant economic challenges, the consequences of this rule will make American businesses less competitive, and hurt individuals that are economically disadvantaged and living on fixed incomes.

The CPP requires Florida to reduce its carbon emissions rate for existing power plants to 740 lb/MWh, or 38%, by 2030. This is significantly above the national goal of a 30% reduction. The CPP places a heavier burden on Florida, even though the state has reduced its greenhouse gas emissions by 20% since 2005. In September 2013, the EPA proposed a standard of 1,000lb/MWh for large natural gas-fired plants. Florida would have to achieve an emissions rate for its existing fleet that is lower than most state of the art natural gas-fired facilities are able to achieve. Compliance with the CPP may result in closing more than 90% of Florida's coal capacity plants by 2030. If coal plants are forced to close prematurely, there will be a vast void in energy-generating capacity that will ultimately require new natural gas plants and related infrastructure before the coal plants close. The CPP's current implementation timeline does not allow for the planning and construction of new plants and related transmission facilities that will replace the coal generated facilities that will be forced into premature retirement. The target reduction and time frame for implementation are implausible without harming Florida's electric grid reliability and raising costs for consumers.

Florida has unique physical conditions that significantly impact the options available to Florida's electric utilities and their customers for complying with the CPP. The state's peninsula shape limits capacity for importing electricity and natural gas from its neighbors. Current capacity is hampered by transportation congestion and is already committed. Additionally, no major electricity transmission lines are in the planning stages. Given the current limitations on importing electricity from neighboring states, the state will have to count on generating its own power, which poses its own unique set of challenges, and makes it virtually impossible for the state and utilities to comply with the CPP.

Currently, the state's energy generation portfolio is composed of 62% natural gas, 21% coal, and 12% nuclear. With limited natural gas production, the state imports its natural gas through its two major pipelines. Both pipelines are close to maximum capacity, and are vulnerable to hurricanes hitting the Gulf coast. The pipeline was as low as 15% of capacity after Hurricane Katrina hit in 2005.. While a third pipeline is in the planning stages, its addition probably would not give Florida the capacity to meet the CPP. The CPP would require Florida to shift its dependence on natural gas to more than 80%. By forcing Florida to rely more heavily on natural gas, the state will be even more vulnerable to electricity outages due to fuel unavailability.

The CPP does include renewables as a way for the state to lower its carbon footprint. However, its goal for Florida is not only arbitrary, but would prove costly for ratepayers. The CPP's reliance on North Carolina's target percentage to set Florida's goal is problematic on multiple fronts. North Carolina met their goal of 12.5% of their total energy production by renewables in large part through the use of hydroelectric plants and biomass. Perplexingly, existing hydroelectric plants and most biomass does not count as a renewable resource under the CPP. Further, Florida has a limited number of existing hydroelectric plants, and rare opportunities for new plants. Florida also has significant challenges to import renewable power, as described previously, which North Carolina does not. There are too many variables to hold them to the same standard.

The renewables that are available in Florida, particularly solar, are intermittent and non-dispatchable, meaning they would require either fossil fuel-fired or nuclear generation as a backup. For example, while Florida is dubbed the "Sunshine State," solar panels work less efficiently at the high, year-round temperatures and high humidity and cloud cover in the state. The CPP requires no additional renewables for North Dakota, even though an identical solar panel would generate more electricity there than in Jacksonville, Florida. While we support an all-of-the-above energy plan, the CPP fails to account for the unique circumstance in Florida that will limit the use of certain renewables.

Finally, for Florida to comply with the CPP, its utilities will have to spend substantial amounts of capital to build new plants and infrastructure, while closing perfectly good coal plants. The rule fails to account for these new costs and investments that have already been made by utilities. Further, the costs the CPP will place on ratepayers in Florida are significant, particularly for seniors, the impoverished, and others on fixed-incomes. It will also make doing business in America for manufacturers and others that require large amounts of electricity – as in the information technology sector – more difficult. We have been told that while rates will go up, bills will go down through increased efficiency. However, the primary uses of electricity in Florida homes are air conditioning units. These can cost several thousand dollars to upgrade in order to see substantial energy savings. Such upgrades are out of reach for many homeowners during these tough economic times; their rates and bills will increase.

This rule will result in a level of regulatory uncertainty, with social, economic and environmental consequences that we believe are unacceptable to our constituents. We urge the EPA to indefinitely postpone the Clean Power Plan and work with Congress on this important matter. We look forward to your prompt reply.

Sincerely,



GUS BILIRAKIS
Member of Congress



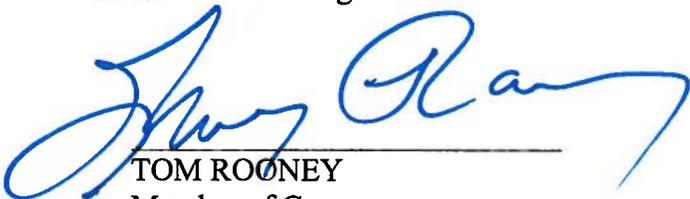
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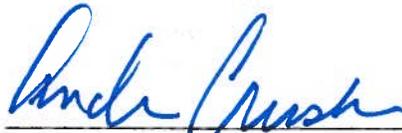
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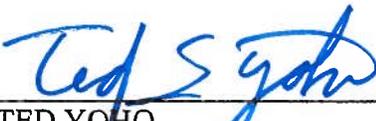
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