

# EPA ESPS for OUC

Chip Merriam

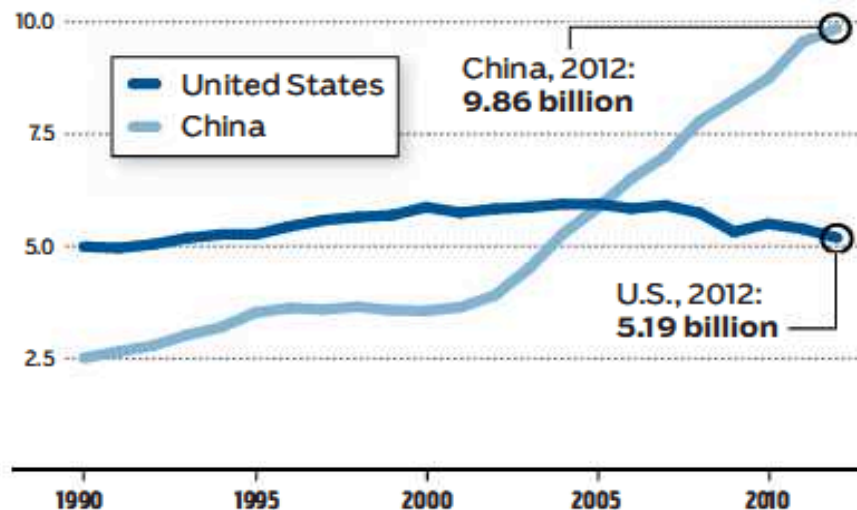
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July 8, 2015



# Emission Changes

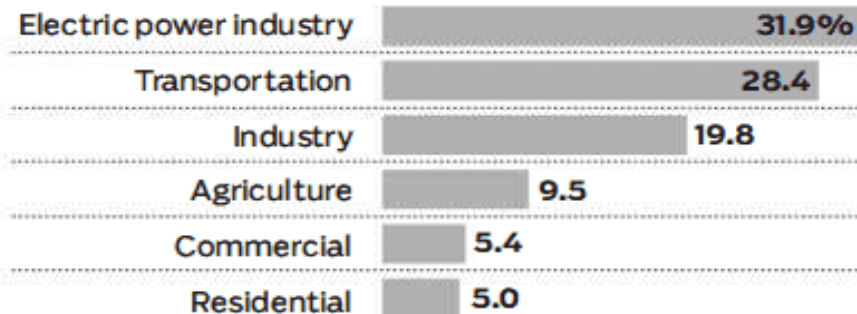
## CARBON DIOXIDE EMISSIONS

Annual, scale in billions of metric tons



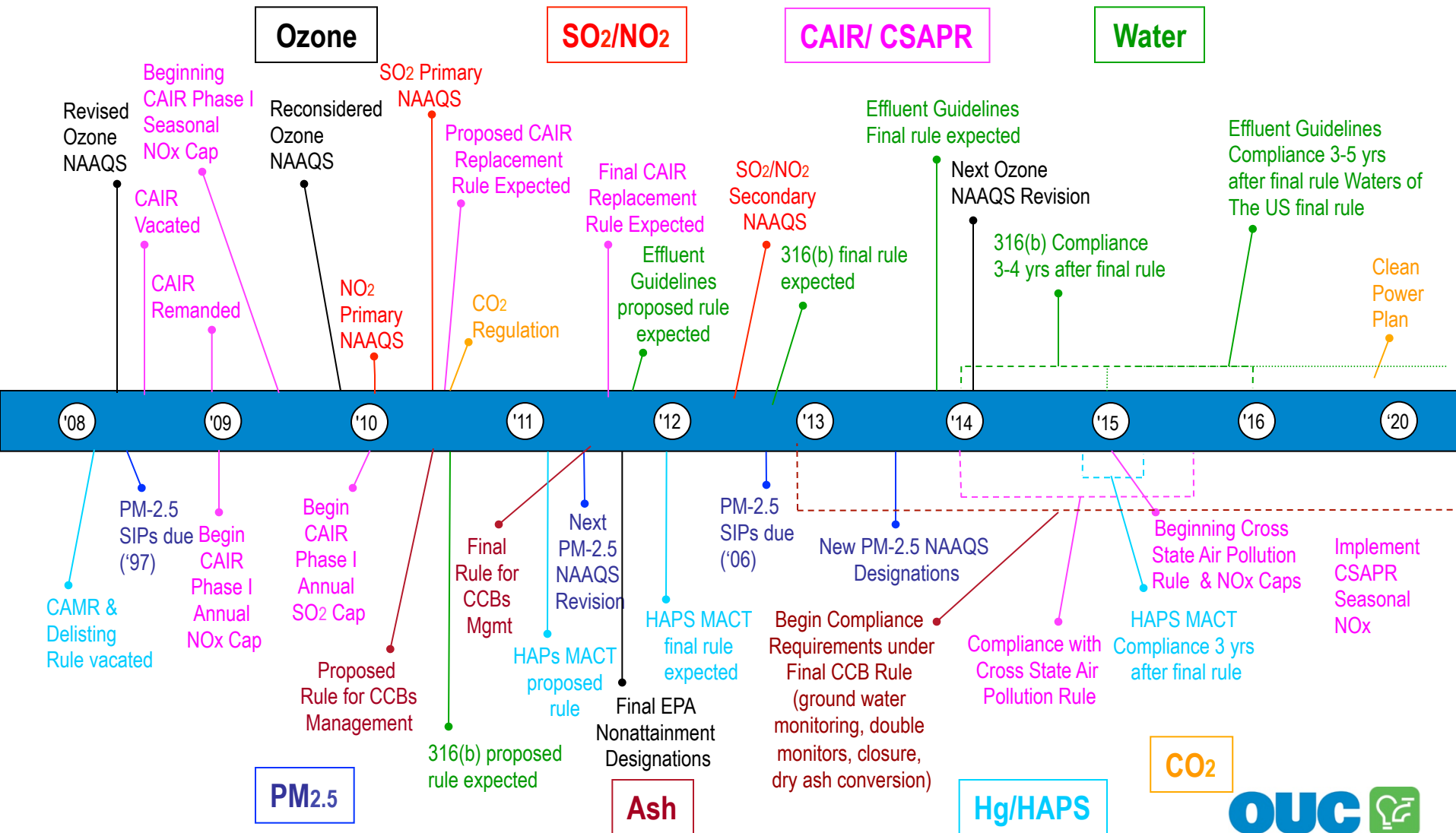
## EMISSIONS BY SECTOR

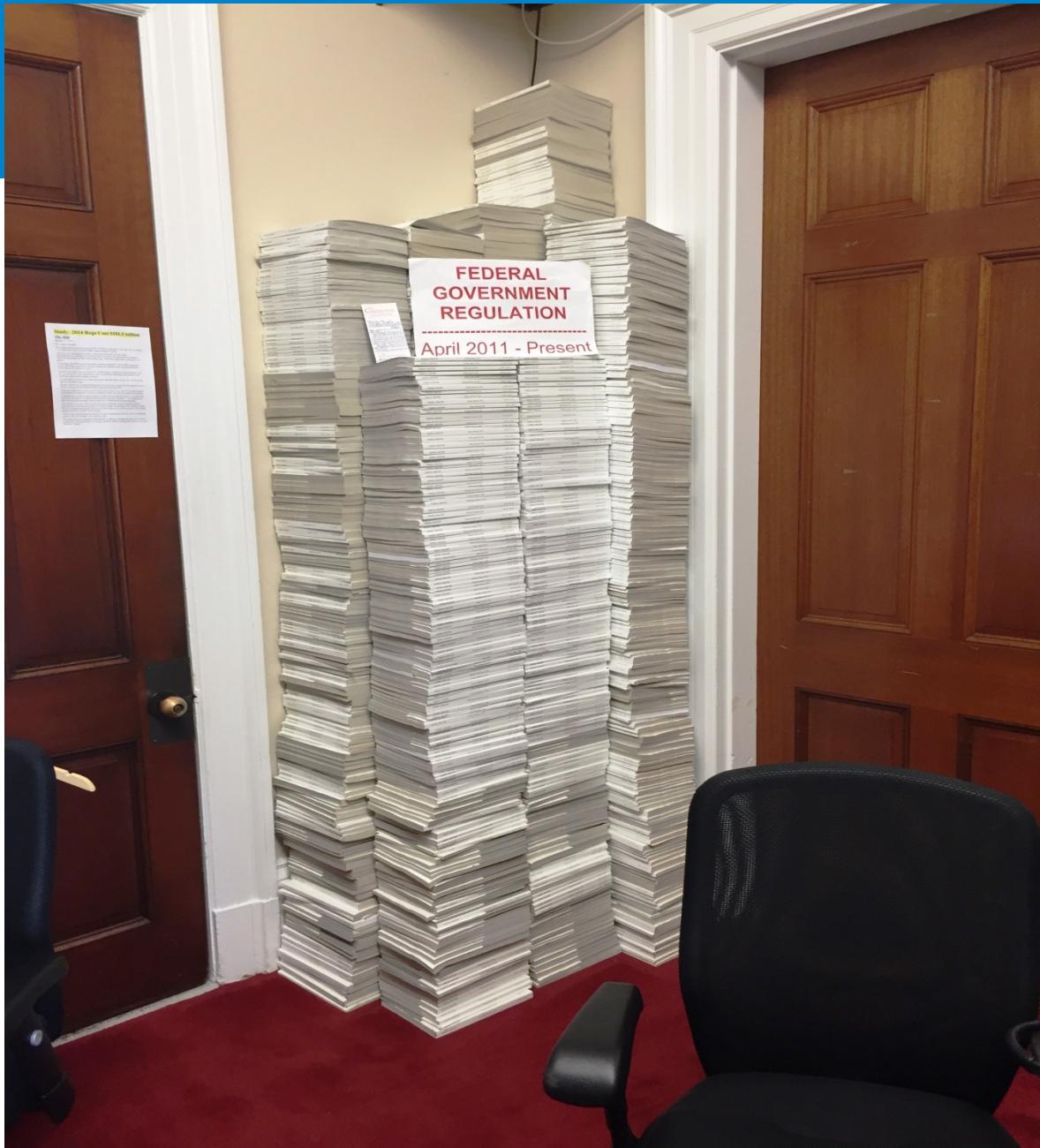
Including carbon dioxide and other greenhouse gases, 2012



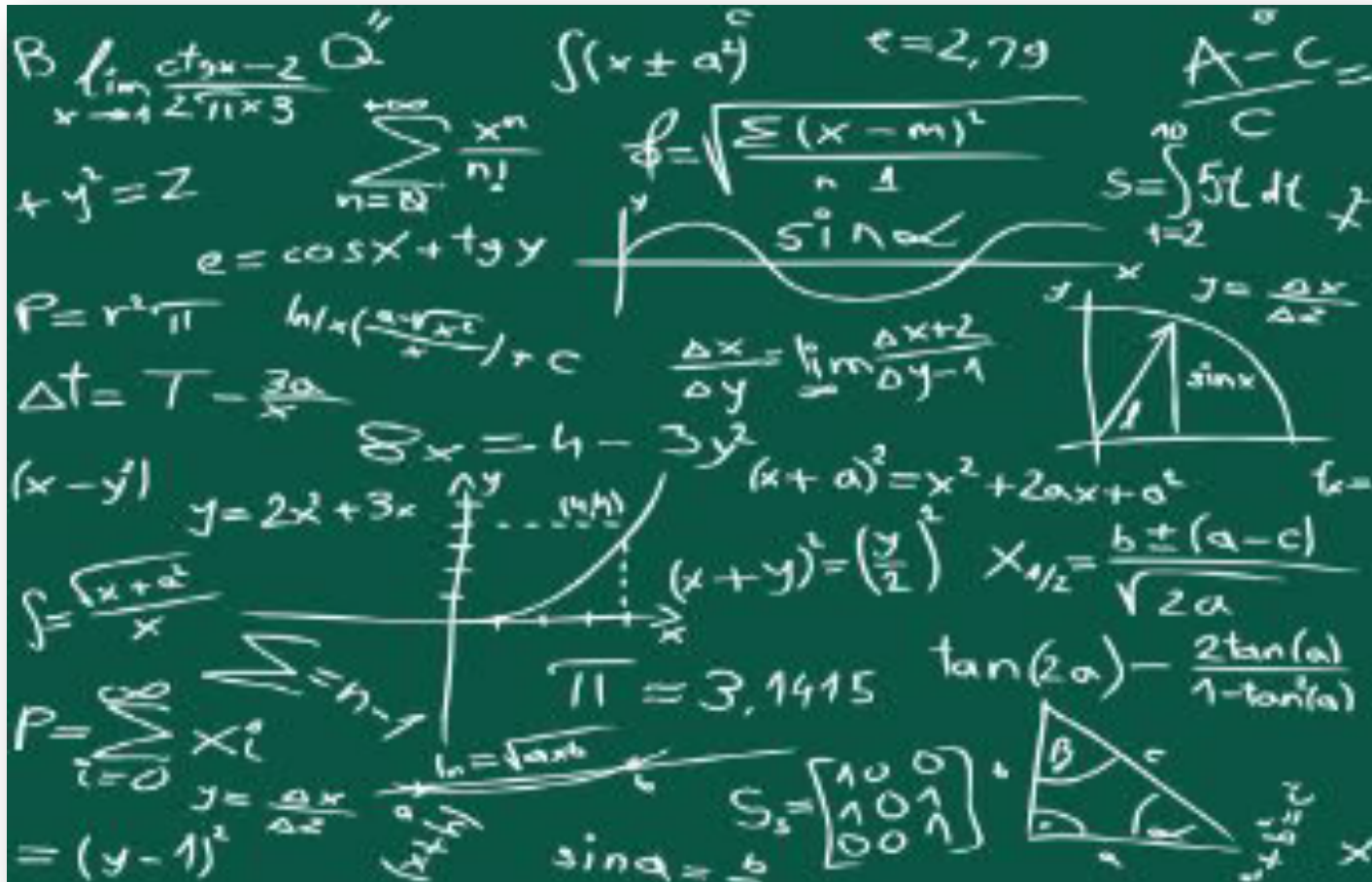
SOURCES: PBL Netherlands Environmental Assessment Agency,

# Possible Timeline for Environmental Regulatory Requirements for the Utility Industry





# Of Course, It's Easy



# Understanding Impacts

- Understanding Central Florida's Customer Base
- OUC is customer-owned. There are no Stockholders
- Most Reliable Vertically Integrated Utility in the State of Florida

# Understanding Impacts (cont.)

- Zero stormwater discharge to waters of the United States
- 6% efficiencies already in place. Units come off-line according to EPA's 2025 Policy Case
- Utilization of landfill gas displacing coal
- Two pipelines into Florida
- Proposed third pipeline to be constructed by IOU
- Hurricane season realities from the 2004-2006 Hurricane Season



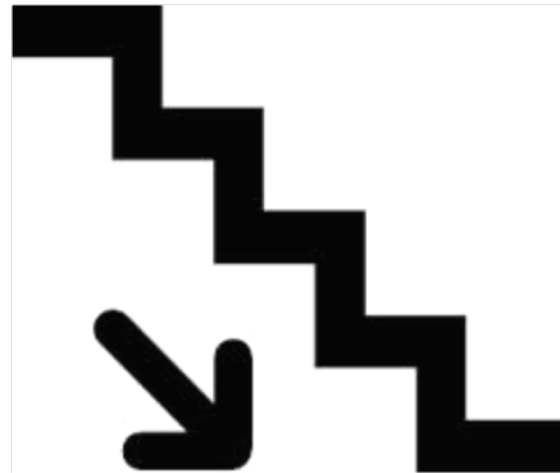
# UNDERSTANDING IMPACTS (CONT.)

- Newest of Florida Coal Plants would be retired with stranded costs due to age and improvements to meet Section 112 requirements
- Florida is an island in regard to Transmission
- No new Nuclear under construction
- 20% Solar Capacity Factor
- OUC has no authority to set rules outside our generation abilities
- FDEP will have to seek legislative ratification to set new rules for Building Blocks 3 & 4
- Results in a 40-45% rate increase for OUC ratepayers

# Emission Formula

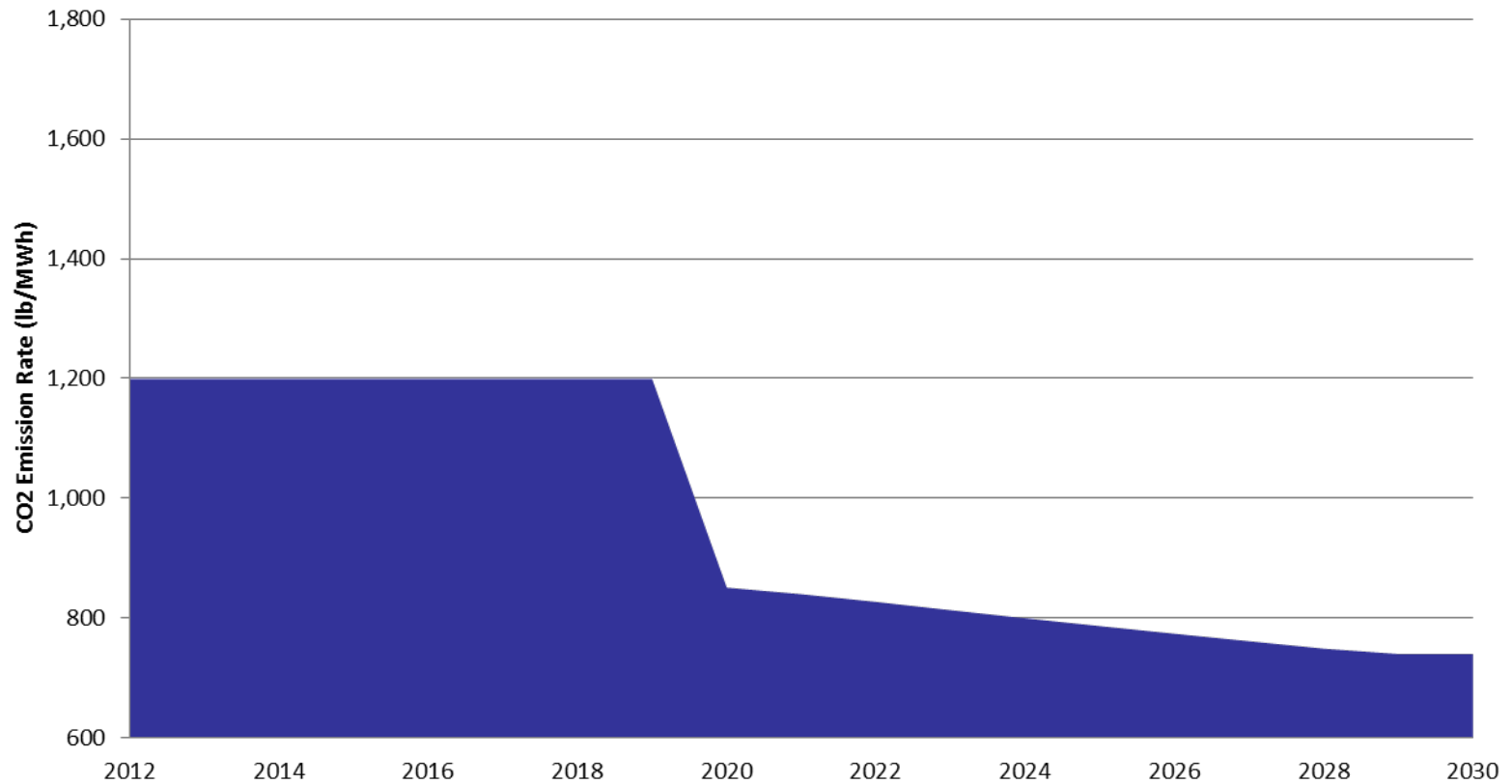
## Overall emission rate change

1,200 lbs CO<sub>2</sub>/MWh



740 lbs CO<sub>2</sub>/Mwh

# 2020 Cliff



# Suggestions

- Work with States to Extend the Coal Power Plant duration out to each plant's capital life cycle
- Allow for real construction starts and limited labor pool for new construction. Possibly use date of plant construction to set a priority

# Coal-Burning Power Plant Countdown



COAL-BURNING POWER PLANT  
**COUNTDOWN**

343

180

CLOSED

180 retired, 343 to go. **FIND OUT MORE**

The infographic has a teal background. At the top, the title "COAL-BURNING POWER PLANT COUNTDOWN" is written in white. Below the title are two side-by-side illustrations of power plants. The left illustration shows a power plant with three smokestacks emitting black smoke, with the number "343" in large teal font above it. The right illustration shows a similar power plant with three smokestacks, but the smoke is grey and the number "180" is in large teal font above it. A red diagonal banner with the word "CLOSED" in white is overlaid on the bottom right of the right illustration. At the bottom of the infographic, the text "180 retired, 343 to go. FIND OUT MORE" is written in white.

Questions?

