



**MISO**

**EPA's 111(d) Carbon  
Regulation: A South  
Dakota Forum**

7/31/2014

# GHG Regulation Impact Analysis

- **Study Initiation (Comment Period Study)** – Planning Advisory Committee, May 2014
- **Purpose** - Inform stakeholders on potential carbon regulation impacts
- **Intent** of this study is to:
  - Understand the impacts of the carbon regulations on the generation fleet and load in the MISO footprint
- **Intent** of this study is **not** to:
  - Recommend any specific compliance plan to meet the regulation
  - Enable support or opposition to this regulation
- **Stakeholder Input** – Seeking stakeholder input on analyses that will assist in comment development
- **First Look** – Initial results may lend to additional analysis, as appropriate and determined in collaboration with stakeholders

# The generation fleet in MISO is being affected by timing, fuel prices and multiple phases of environmental regulations.



Nature of Regulation	Mercury and Air Toxics Standards	Cross State Air Pollution Rule and Water Regulations (316(b))	Carbon regulations (Clean Power Plan)	National Ambient Air Quality Standards? Coal Ash? Other?
Compliance Dates	2015 / 2016	As early as 2015	2020-2030	???
Impacts	<ul style="list-style-type: none"> <li>• Significant coal retirements</li> <li>• Outage coordination challenges</li> <li>• Shrinking reserve margins around MISO</li> <li>• Growing dependence on natural gas</li> </ul>	<ul style="list-style-type: none"> <li>• CSAPR is subject to ongoing litigation</li> <li>• EPA sought lift of stay on CSAPR – could make rule effective as early as 2015</li> <li>• Final water intake rule released May 2014.</li> </ul>	<ul style="list-style-type: none"> <li>• Draft Rule released June 2014</li> <li>• Continued pressures on reserve margins</li> <li>• Increased dependence on natural gas</li> </ul>	

**These factors will culminate in the erosion of reserve margins and an increase in reliability risk.**