**Summary of EPA’s Proposed Carbon Pollution Standard for Existing Sources**

* EPA’s proposal sets a state-by-state carbon intensity target to be achieved by 2030, with interim compliance required from 2020-2029. EPA estimates that its proposal would achieve power sector emissions reductions of 26% below 2005 levels by 2020, 29% below 2005 levels by 2025, and 30% below 2005 levels by 2030.
* EPA determined the best system of emissions reduction (“BSER”) based on these “building blocks”:
	+ Reducing the carbon intensity of covered EGUs through a 6% heat rate improvement;
	+ Substituting coal-fired generation with gas generation (including NGCC units under construction) by increasing the annual utilization rate for NGCC units to 70%;
	+ Substituting generation from affected EGUs with renewable generation (13% by start of 2030) and new/at risk nuclear capacity (5.8%);
	+ Reducing emissions from affected EGUs through demand-side energy efficiency (10.7% cumulative savings by start of 2030).
* EPA established proposed goals for 2030 and interim goals for 2020-2029 for each state, by applying the four building blocks in its BSER formula to the state’s electricity sector as it existed in 2012. There are large variations in carbon intensity targets among states because EPA considered the differences in energy mix and the unique circumstances of each state.
* The proposed state goals are expressed as average emission rates for fossil fuel-fired EGUs. The proposal allows states the option of translating EPA’s rate-based goal into a mass-based goal; or translating the state-specific rate-based goal into a multi-state performance goal, for states participating in a multi-state approach.
* States have flexibility to pursue some building blocks more extensively and others less extensively than the degree reflected in EPA’s data inputs, while meeting the overall goals. States can also choose to include in their plans other measures that reduce CO2 emissions at affected EGUs but that are not included in the building blocks.
* State plans must be developed according to the following criteria: (1) plans must include enforceable measures that reduce EGU emissions; (2) measures must be projected to achieve emissions performance equivalent to or better than the state goals; (3) EGU CO2 emissions performance must be quantifiable and verifiable; (4) plans must provide for reporting of plan implementation and CO2 emission performance.
* EPA will accept comment on the proposal during 120 days after publication in the Federal Register and will hold public hearings during the week of July 28 in Denver, Atlanta, Washington, D.C. and Pittsburgh.
* EPA plans to issue its final rule by June 1, 2015, and is requiring states to submit their plans for approval by June 30, 2016, with the possibility of extensions, provided certain requirements are met. For individual states, the deadline to submit a complete plan would be June 30, 2017. States developing a plan that includes a multi-state approach may request up to a two-year extension, to June 30, 2018, to submit a complete plan.