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## Clean Power Plan Outlook: What to Expect in the Short, Medium and Long Term

Today, President Obama released the Clean Power Plan (CPP), new regulations that limit carbon emissions from both new and existing power plants. The rules will have a real impact on the way electricity is generated and the president has embraced this effort as an important part of his presidential legacy.

These far-reaching regulations are controversial and will be vigorously opposed by the coal industry and its allies. Some states have vowed to refuse to submit compliance plans.

So today's announcement is just the first step of a long fight to keep—or cancel—these rules. Here is a road map for the key issues in each stage of the battle.

### Short Term: A Six-Month Whirlwind

Over the next six months, opponents and supporters will be battling for the public narrative on the rule. This effort has already begun and will continue through the end of the year. There will be ad campaigns, rallies and protests. There will be op-eds and public debates and endless analysis pieces.

Expect a slew of lawsuits. Industry will certainly sue the Environmental Protection Agency (EPA) on the rule and some states are anticipated to take legal action as well. Business interests have been honing their arguments since the proposed rule was released; these will be tweaked and sharpened and lawsuits filed as soon as the rule is published.

Opponents will certainly ask the courts to stay the rule while these suits make their way through the legal system. Industry litigants are confident that they will prevail, especially given the high stakes involved in complying with the CPP. But most experts are more skeptical that the stay will be granted. Courts don't typically block implementation during a legal challenge; and by providing additional time in this final rule compared to the proposal, the EPA has strengthened its hand in arguing that the rules should move forward while the legal fight rages on.

In addition to the legal debate, expect legislative efforts on Capitol Hill to try to weaken, undermine or completely block the rule. Opponents of the CPP will try to use funding bills, amendments or stand-alone legislation to limit or stop the rule. The president has indicated that he will veto any bills that threaten the rule—and he has enough support in Congress to make any veto on this subject stick. So the legislative efforts will fail, but the debate will provide another forum for supporters and opponents to make their case.

Finally, before the end of the year, a major climate change conference will take place in Paris. The United States will use the CPP as a demonstration of its commitment to reducing greenhouse gas emissions here at home and will prod other nations to take similar steps. The CPP is an important part

August 3, 2015

of the Obama administration's strategy to provide international leadership in this arena and drive down global carbon emissions.

### Medium Term: Two Years of Legal Bills and Campaigning

Over the next two years, expect more lawsuits and additional legal maneuvering. The rules will ultimately end up in the Supreme Court, but probably not for at least two years.

Meanwhile, states will have to determine how they respond to the CPP. This is a key issue because some opponents—notably Sen. Mitch McConnell (R-KY)—have encouraged states to “just say no” and refuse to develop implementation plans. If a large number of states take that advice, the EPA will quickly get bogged down in efforts to put together plans for individual states.

Ultimately, most states will likely develop their own implementation plans because that approach gives them the most control over how to meet the requirements of the rule. But even if a state decides to move forward, the next two years will be spent determining the best path forward for their utilities, consumers and businesses, and whether and how to coordinate with other states.

The CPP will be an issue during the election season too. One Republican presidential candidate called the rule “irresponsible and overreaching.” Another said it would “cost hard-working Americans jobs and raise their energy rates.” Democratic candidates for president are embracing the rule and arguing that if anything, the rule is not aggressive enough.

The controversy of the CPP will also be a factor in down ballot elections in energy-heavy states where Democratic candidates may be forced to embrace an unpopular rule or criticize a Democratic administration's landmark environmental rule.

### Long Term: Implementation (or Not) by a Future Administration

While the CPP is clearly a major legacy issue for President Obama, a different president and a future administration will implement the rule and determine the details about how states comply with the strictures of the regulation. That new administration will make decisions on how strictly to enforce the CPP—and even whether it should be eliminated altogether.

States are not required to submit State Implementation Plans (SIPs) until 2018—well past the 2016 election that will choose a new president. A new EPA administrator will make judgments about whether state plans meet the requirements of the rule or whether to grant the inevitable requests for more time or additional flexibility.

And what if the CPP is struck down by the courts? That will happen during the next administration too.

August 3, 2015

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