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NEWS RELEASE

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AG Bruning: States Argue Against Costly EPA Rule

LINCOLN – Attorney General Jon Bruning today released a statement on the arguments heard before the U.S. D.C. Circuit Court of Appeals opposing the EPA’s Cross-State Air Pollution Rule (CSAPR).

“This rule is costly, burdensome and arbitrary,” said Bruning. “For too long, the EPA has been overregulating Nebraska power producers. It’s time for the federal government to stop imposing high-priced, job-killing mandates with little or no benefit.”

In December 2011, Nebraska succeeded in halting the implementation of the rule when the Appeals Court granted a stay while considering its legality.

To obtain the motion to stay, Nebraska convinced the Court of the likelihood of a successful challenge to the rule and the irreparable harm to Nebraska energy consumers. The cities of Grand Island, Fremont and Hastings provided support for the motion. Additional support was provided by Nebraska energy producers including NPPD, OPPD, LES and other public power districts.

Nebraska was joined by six states on the petition for review including Texas, Alabama, South Carolina, Florida, Oklahoma and Virginia. A number of states also filed separate motions challenging the rule’s implementation.

Cost to Nebraskans

In 2010, approximately 65% of electricity produced in Nebraska was from coal. Increased operating costs for producers would likely affect all Nebraska energy consumers, especially agricultural producers.

Projected capital costs and increased operating costs for implementing the rule could total more than \$60 million dollars for NPPD and OPPD alone. The total cost for power producers in cities across Nebraska is projected in the hundreds of millions.

Lincoln Electric System has provided a temporary credit to residents during the stay issued by the Court. In January, the energy provider announced as much as \$3.2 million previously budgeted to cover expected costs for implementing the rule will be refunded while it is delayed or if it is rescinded.

CSAPR

The Cross-State Air Pollution Rule was mandated by the EPA to address a theoretical compliance issue in Milwaukee, Wisconsin. The agency's rule forces Nebraska's power plants to cap emissions by 1 % in order to reduce the potential pollution that may be caused in areas upwind. However, the actual change in air quality resulting from the multi-million dollar modifications would be scarcely measurable and is currently unknown.