

EPA's Unachievable Final Power Plant Rule Threatens Electric Reliability and Affordability

Key Findings

- In May 2024, EPA published its final Power Plant Rule, which combines multiple new rules for coal and natural gas-fired power plants. On March 12, 2025, the EPA announced that it will be reconsidering the Power Plant Rule.
- EPA's rules mandate inadequately demonstrated technology and unachievable emissions limits on an unworkable timeframe in violation of the Clean Air Act and Supreme Court decisions.
- The final rules jeopardize affordable and reliable electricity by forcing the premature closure of always available power plants while also making it harder to permit, site, and build critical new power plants.

Power Plant Rule Background and Overview

On May 9, 2024, the Environmental Protection Agency (EPA) published final rules to limit greenhouse gas (GHG) emissions from existing coal and new natural gas power plants. In general, starting in 2032, the rules require increasingly stringent carbon dioxide (CO₂) emissions controls at coal and natural gas power plants, unless they shut down or curtail their operations. Requirements would vary based on the type of unit, how frequently it operates, and how long it will operate.

New gas combustion unit requirements (applicable to units starting construction on or after May 23, 2023) are based on capacity factor, meaning how often they operate. New “baseload” gas units must implement carbon capture and storage (CCS) (90% capture by 2032). New “intermediate load” units must meet strict emissions limits. New “low load/peaking” units may operate without additional emissions controls if they use lower emitting fuels.

Existing coal unit requirements are based on committed retirement date. Units planning to operate in 2039 and beyond must meet a CCS standard of 90% capture by 2032. Units retiring before 2039 must co-fire with natural gas at a 40% rate beginning in 2030. Units can avoid adding new emissions controls but must retire before 2032.

EPA must follow the law and set standards based on technology that has been adequately demonstrated and is achievable. Co-ops are taking innovative and diverse approaches to reliably and affordably keep the lights on today and tomorrow. But EPA's insistence that the industry can generate more electricity with fewer resources over an unrealistic timeline is not a serious or practical approach.

NRECA has filed a lawsuit against EPA's final rule and 27 states and other utility groups have also filed lawsuits. On March 12, 2025, EPA announced that it will be [reconsidering the Power Plant Rule](#). At this time, however, the rule remains in effect.

Disregards the Law and Supreme Court Decisions

EPA's final rules are inconsistent with the text, structure, and context of the Clean Air Act (CAA) and violate the law. The rules exceed the boundaries of the law set by Congress by asserting vast new authority of major economic and political significance without a clear statement from Congress. This disregards Supreme Court direction and precedent, notably the "major questions doctrine" and *West Virginia v. EPA*. Under the CAA, emission standards must be: "adequately demonstrated", achievable nationwide, and cost-effective. As detailed here, EPA's rules do not meet the CAA's requirements.

Requires the Use of Inadequately Demonstrated Technology

While CCS is a promising technology, it is not yet widespread nor commercially available and thus has not been "adequately demonstrated" as is required. There are no units in the country currently achieving EPA's required 90% capture rate consistently and while operating at baseload levels. Moreover, sequestration is not feasible in many areas of the country. Requirements for some coal units to co-fire natural gas are similarly flawed. Electric co-ops are national leaders in the testing and development of carbon capture. Because of that leadership in innovation, co-ops understand the complex challenges associated with making CCS work at every affected power plant. While EPA abandoned its proposal to require co-firing clean hydrogen for some new natural gas units, EPA maintains it is a compliance option despite its development being even further behind CCS.

Mandates Unrealistic and Unachievable Timelines

There is insufficient infrastructure in place, especially massive pipeline networks, to support CCS and hydrogen, even assuming the technologies work as EPA envisions. The necessary infrastructure cannot reasonably be expected to be in place in time to meet EPA's requirements. This is due to significant cost and financing requirements, supply chain challenges, permitting hurdles, land ownership and access concerns, expected public opposition, and other factors. In finalizing its CCS requirements, EPA ignored the fact that even after it proposed its flawed rules, two major CO₂ pipeline projects EPA cited in its proposal were sidelined: Navigator CO₂ Ventures canceled its 1,302-mile pipeline and Summit Carbon Solutions delayed (and has now indefinitely postponed) construction on its 2,067-mile pipeline. These setbacks undermine EPA's already spurious insistence that CCS is an adequately demonstrated and achievable technology, which is required for its final rules.

Jeopardizes Reliability and Affordability

EPA's CCS requirements and timelines endanger new natural gas plants and all but ensure coal units will opt to shut down by 2032. This will reduce key generating resources, magnifying today's reliability challenges with grave consequences for an already stressed electric grid. All of this will occur while the demand for electricity skyrockets as we electrify more of the American economy. The rules will simultaneously increase costs for consumers throughout rural America. EPA is overly optimistic about how federal energy incentives may transform the electric sector and underestimates the rules' costs significantly.

In short, the final rules will jeopardize reliability and result in more blackouts, higher costs, and greater uncertainty for American families and businesses.

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