

MEMORANDUM

TO: Joint Budget Committee Members

FROM: Megan Davisson

SUBJECT: Future Costs of Implementing the Clean Power Plan

DATE: March 21, 2016

The Committee on Friday March 18, 2016 asked about the future costs associated with implementation of the Clean Power Plan by the Department of Public Health and Environment. The Department indicated that "it is difficult to precisely state what future costs associated with the clean power plan might be. The federal clean power plan is currently stayed, so the division is not and will not be specifically working on the clean power plan, per se, in the near term. The division will not be making an initial submittal to the EPA in September 2016, as called for in the CPP. Nor will the division submit any state plan to EPA for purposes of federal enforceability, unless and until required to do so as a matter of federal law. That said, the division believes it is prudent to use the opportunity afforded by the stay to continue efforts with stakeholders to explore potential pathways for emission reductions from the power sector. This includes CO2 emission reduction planning. This will put Colorado in the best position possible, regardless of how the CPP litigation plays out. If the CPP is upheld, Colorado will not be prejudiced by inaction. And if the CPP is struck down in whole or in part, Colorado will still be implementing Colorado-specific clean air objectives. This approach is consistent with the division's regular, ongoing work."