

Response to the Administration's Environmental Policies

What Happened On the Way to the New and Better Day?

Scott R. Smith

February 11, 2015





© Copyright 2014 Smith Management Group February 10, 2015 • 2

Basis of the Administration's Decisions



► The Administration's Political Beliefs:

"Progressive Democrats" believe "No issue reveals more clearly the flaws of the U.S. politicaleconomic system than global warming."

Progressive Democrats-Greed and corporate power dominate the public good, and impose nearsighted focus on short-term profits instead of serving our long-term needs and the welfare of future generations."



Basis of the Administration's Decisions

- Radical environmentalists are supporters of the Administration's environmental programs.
 - It appeared that these environmental groups opposed every practical source of energy and reasonable solutions.

EPA actively pushed for policies that have rankled the general public. For example:

- Elimination of low cost energy sources even with substantial controls and efficiency;
- Imposition of a carbon tax on utilities and industrial sources;
- Substantially expanding EPA's authority on water issues-404 Permits and Waters of the U.S.; and
- Refusal to approve permits or retroactively rejecting previously issued permits.



Basis of the Administration's Decisions

► Bad Ideas and Bad Decisions Started to Turn Public's Support

Environmentalists and the Administration supported ideas that

did not reach their promised potential.

Examples: solar power, electric cars, windmills, and green jobs.

- required the federal government to provide substantial funding, increasing the US deficit.
- lost the public's confidence as they learned that energy sources such as wind and solar power are perpetual money-losers and more expensive than traditional energy sources.

Example: The collapse of Solyndra.



© Copyright 2014 Smith Management Group May 8, 2013 • 6

SMG

How Many Regulations Are Enough?

According to the National Association of Manufacturers:

- Since 1982, almost 2 million pages of presidential documents, rules, proposed rules and notices have been published in the Federal Register;
- Recently NAM reviewed 6 recent major EPA actions
 - Cost more than \$100B Annually
 - Loss of up to 2 million jobs
- U.S. federal government regulations cost an estimated \$2.028 trillion in 2012 (in 2014 dollars), an amount equal to 12 percent of GDP;
- Since Jan. 20, 2009, the Environmental Protection Agency (EPA) has issued 2,827 new final regulations, equaling 24,915 pages in the Federal Register, totaling approximately 24,915,000 words.











EPA's actions, both individually and in sum, have generated controversy.

Wall Street Journal-"Scale of EPA regulatory actions unprecedented"; stated that EPA "has turned a regulatory fire hose on U.S. business".

Regarding proposed regulatory actions affecting electric generating units, the North American Electric Reliability Corporation, charged with protecting America's power supply warned, that the Obama Administration's power plant proposal will threaten the nation's electric reliability.

U.S. Chamber of Commerce, "A series of one-sided, political-charged regulations that are intended to take the place of legislation that can not achieve consensus in the Congress."



Major or Controversial Rules Promulgated Since 2009

Greenhouse Gas Endangerment Finding-Six greenhouse gases cause or contribute to air pollution that endangers public health and welfare.

Greenhouse Gas Tailoring Rule-Defined which stationary sources would be required to obtain Clean Air Act permits for GHG emissions and how the requirements would be phased in.

Chesapeake Bay TMDL-Far reaching plan, largest ever developed by EPA to restore nutrient impaired waters of the Chesapeake Bay.

Post Construction Stormwater Rule-Focused on discharges from developed and post development sites. Action deferred.



Major or Controversial Rules Promulgated Since 2009

Climate Change-Medium and Heavy Duty Vehicle Greenhouse Gas Rule 2012-2016 and 2017-2025.

Ambient Air Quality Standards-Particulate (including "Farm Dust") NAAQS; Sulfur Dioxide NAAQS; Sulpher Dioxide NAAQS.

Electric Generating Units-Cross State Air Pollution Rule; Mercury and Air Toxics Standards/MACT for Electric Generating Units (Utility MACT).

Boilers and Incinerators-MACT and Area Source Standards for Boilers; Commercial and Industrial Solid Waste Incinerator (CISWI).



Major or Controversial Rules Promulgated Since 2009

Other Clean Air Act Rules -

- Oil and Natural Gas Air Pollution Standards
- NSPS (conventional pollutants) and MACT (HAPs) for new cement kilns
- Flares and Process Heaters

Pesticide applications

Florida Nutrient Water Quality Standards

Revised Cooling Water Intake Rule



Major or Controversial Rules Promulgated Since 2009

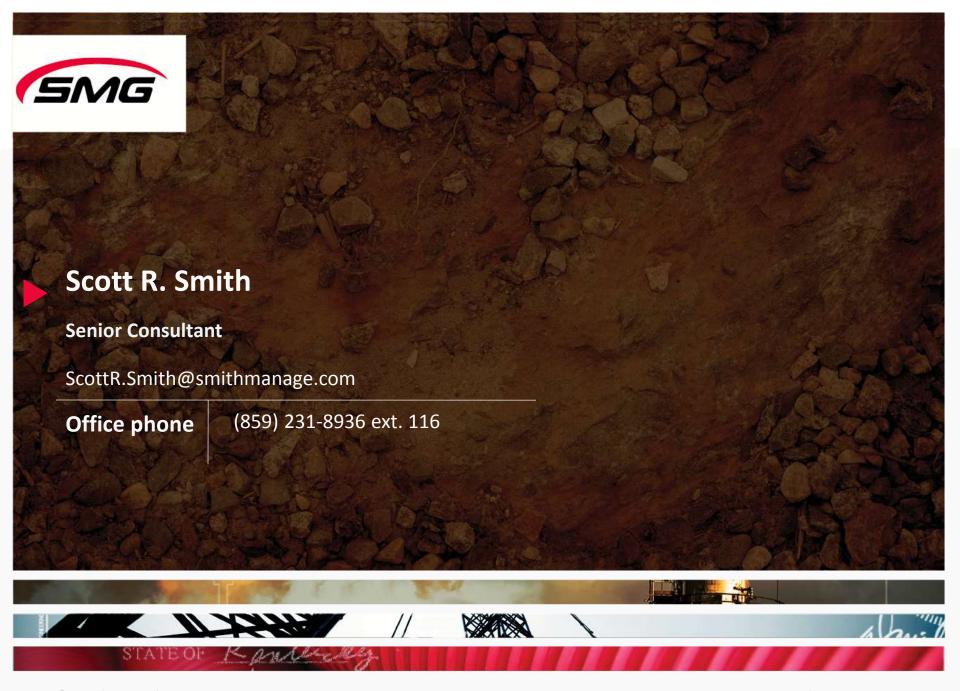
Lead Renovation, Repair and Painting Program Rules

ID of Non Hazardous Materials That Are Solid Wastes When Burned

Carbon Pollution Standards (NSPS) for New Power Plants

Carbon Pollution Guidelines for Existing Power Plants

NAAQ Ozone



© Copyright 2014 Smith Management Group February 10, 2015 • 15