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9TH DISTRICT, VIRGINIA

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November 20, 2014

The Hon. Terry McAuliffe  
Governor of Virginia  
1111 East Broad St.  
Richmond, VA 23219

Dear Governor McAuliffe:

We write to express our concern that the Environmental Protection Agency's ("EPA") Clean Power Plan Proposed Rule (EPA-HQ-OAR-2013-0602) will place our state's economy and energy security at grave risk. This proposed regulation will significantly affect energy costs and reliability, and it will be the most vulnerable segments of the population that will suffer the most. While we appreciate that the comments submitted by your administration on the Clean Power Plan highlight a number of the proposed rule's shortcomings, we believe that no amount of revisions will prevent this plan from devastating Virginia's economy, stifling job growth, and disproportionately harming seniors and lower-income households. Therefore, we ask that you not implement the Clean Power Plan.

This proposed regulation will lead to substantial increases in energy costs. Recently, the staff of the Virginia State Corporation Commission ("SCC") submitted a comment to the EPA on this plan, concluding that the "Proposed Regulation, if approved, is likely to raise substantially both the electric rates and bills Virginians pay in several different ways." The comment noted that citizens and businesses would be forced to cover expensive compliance costs, premature retirements of useful existing facilities, and higher wholesale energy prices, and a third party analysis projects electricity prices in Virginia will increase up to 11 percent.<sup>1</sup> Across the nation, the proposed regulation is projected to increase total consumer energy costs by up to \$479 billion and natural gas prices by up to \$144 billion.<sup>2</sup>

Additionally, the Clean Power Plan will significantly harm the reliability of the electric grid. The president of the North American Electric Reliability Corporation, which is responsible for ensuring the reliability of the electric grid in North America, stated that "it would be irresponsible to implement the rules." The SCC noted that the proposed regulation would create "significant reliability concerns" for Virginia, expressing alarm that the EPA believed 2,851 megawatts of fossil-fuel generation could be replaced with 351 megawatts of intermittent onshore wind. The SCC concluded that Virginia lacks the infrastructure to handle the generator

<sup>1</sup> NERA Economic Consulting, "Potential Energy Impacts of the EPA Proposed Clean Power Plan," October 2014, at 25-26.

<sup>2</sup> *Id.* at 21.

retirements required by other EPA rules, and the Clean Power Plan would “compound the existing, unresolved reliability concerns in the Commonwealth.”

Unfortunately, this combination of higher costs and poor reliability will have a disparate impact on the most vulnerable populations in Virginia. In 2012, 37 percent of Virginia’s households aged 65 or more had gross pre-tax incomes of less than \$30,000. For these fixed-income seniors and other lower-income households, energy costs represent a larger percentage of their after-tax budgets. Higher costs mean less money to pay for other essential items like food, housing, and medical care. In fact, a 2009 survey by the Applied Public Policy Research Institute for Study and Evaluation analyzing the affordability of energy bills for households receiving assistance from the Low Income Home Energy Assistance Program (LIHEAP) found that partly because of high energy costs, 30 percent of the households surveyed went without food for at least one day, and 33 percent did not fill a prescription or took less than the full dose. Virginians should not be forced to choose between being able to eat or take their medication and being able to pay their energy bill.

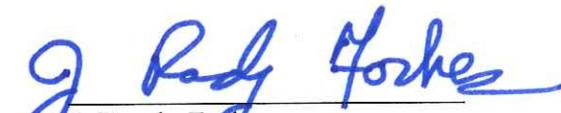
Additionally, making energy in our state more expensive will drive up manufacturing costs and the price of goods and services, leading to job losses and further harming the families operating on constrained budgets. The United Mine Workers of America (UMWA) has estimated the Clean Power Plan would result in the loss of 75,000 direct coal generation jobs in the United States by 2020 and 152,000 job losses by 2035. The UMWA further estimates the total impact of the proposed regulation on the entire economy would result in about 485,000 permanent jobs lost.

The consequences of the Clean Power Plan for our state will be disastrous, and we urge you to reject this costly proposal. For the reasons stated, we ask that you not subject our state to these dangerous and costly risks by implementing this irresponsible rule.

Sincerely,

  
\_\_\_\_\_  
H. Morgan Griffith  
Member of Congress

  
\_\_\_\_\_  
Dave Brat  
Member of Congress

  
\_\_\_\_\_  
J. Randy Forbes  
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