The Clean Power Plan

DETERMINING THE PATH FORWARD FOR WEST VIRGINIA

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“When you come to a fork in the road, take it.”

– Yogi Berra
Will the CPP further reduce coal consumption in the US?

Yes.
If the CPP is not enacted, will coal consumption likely increase?

No.

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**Levelized Cost of Generation per MWh**

- Utility Scale Solar (w/$11 discount) $114 25%
- Wind $73 36%
- Natural Gas Advanced CC w/CCS $100 87%
- Natural Gas Advanced CC $73 87%
- Advanced Coal w/CCS $144 85%
- Conventional Coal $95 85%

Source: EIA. Note: % shows plant availability or “capacity factor”
Are entire communities being decimated by the decline of coal?

Yes.

Employment
43,306 in 2008
31,236 in 2015
28%

Severance Tax
$420M in 2008
$315M in 2015
25%
Will technology stall if the CPP is not enacted?

No.
Large-Scale Renewable Opportunities

$10+ Billion investment opportunity in renewables over the timeframe before considering CPP impacts

Total Coal and Gas Retirements 2015 – 2033
Coal: 5,738 MWs • Gas: 1,063 MWs

Solar: 2,766 MW’s
Wind: 5,150 MW’s
Natural Gas: 2,000 MW’s
Will Co$_2$ from EG increase without CPP? 

No.

AEP Stats

- Carbon emissions have decreased from 145 million metric tons (MMTs) to 123 MMTs in 10 years.
- Additionally, units retired in 2015 emitted ~20 MMTs last year.
- Economic, cultural pressures will continue to disadvantage coal.
If CPP is not enacted, is the status quo likely? 

No.

- 72% of adults believe there’s solid evidence the Earth is getting warmer
  - 77% of those under age 50

- 64% are in favor of stricter emissions limits on power plants to address climate change

- Global companies joining climate change initiatives
  - Investment managers controlling $2.6 trillion commit to divest from fossil fuels
  - Global companies commit to power entirely with renewable energy
    - Johnson & Johnson, Proctor & Gamble, Starbucks, Goldman Sachs, Walmart
Will the CPP increase cost of electricity?

Yes.

- Existing fleet will be under-utilized
- Will replace that fleet with new capacity, some of which will
  - Cost more
  - Be intermittent
Is reliability threatened by the EPA’s regs?

Possibly.

- PJM, SPP, ERCOT and MISO are already working on reliability studies under the final rule.
- NERC is also doing an overall reliability assessment and will be advising the RTOs.
- Intermittency and ancillary service issues are key parts of analysis.
Is the CPP a fait accompli?

No.

“I guess the bottom line is this: “You can legitimately go after me on the Clean Power Plan rule because...that was hatched by us, and I believe we need to deal with climate change, so we can have a lengthy debate about that.”

– President Barack Obama
Questions?