



# THE COMMITTEE ON ENERGY AND COMMERCE

## MEMORANDUM

March 21, 2011

TO: Members, Subcommittee on Energy and Power

FROM: Subcommittee on Energy and Power Majority Staff

RE: Field Hearing on “EPA’s Greenhouse Gas and Clean Air Act Regulations: A Focus on Texas’ Economy, Energy Prices and Jobs”

On Thursday, March 24, 2011, at 9:30 a.m. at the Garrett-Townes Auditorium at the South Texas College of Law, 1303 San Jacinto Street, Houston, Texas, the Subcommittee on Energy and Power will hold a hearing entitled “EPA’s Greenhouse Gas and Clean Air Act Regulations: A Focus on Texas’ Economy, Energy Prices and Jobs.”

### I. WITNESSES

The invited witnesses are:

#### Panel 1

**The Honorable Greg Abbott**  
Attorney General  
State of Texas

**The Honorable Todd Staples**  
Commissioner  
Texas Department of Agriculture

**The Honorable Bryan W. Shaw**  
Chairman  
Texas Commission on Environmental Quality

#### Panel 2

**Ms. Kathleen Harnett White**  
Director, Armstrong Center  
Texas Public Policy Foundation

**Mr. James Marston**  
Environmental Defense Fund  
Austin, Texas

**Mr. James Griffin**  
Plant Manager  
Dianal America

#### Panel 3

**The Honorable Gina McCarthy**  
Assistant Administrator  
Office of Air and Radiation  
U.S. Environmental Protection Agency

## **II. BACKGROUND**

The Environmental Protection Agency (EPA) has begun to impose greenhouse gas (GHG) regulations under the Clean Air Act (CAA) affecting both mobile and stationary sources, including new rules establishing initial new preconstruction permitting requirements under the Prevention of Significant Deterioration (PSD) program which became effective January 2, 2011, and initial new operating permit requirements that will become effective July 1, 2011, under the Title V program. These GHG rules, which have been subject to a variety of legal challenges, represent the beginning of EPA's regulation of GHG emissions under the CAA, and additional GHG-related rulemakings are scheduled or expected, including for power plants and refineries and potential other sectors.

With regard to GHG permitting in Texas, on December 23, 2010, the EPA Region 6 Administrator wrote an Open Letter to Permit Holders and Interested Members of the Public stating that GHG permitting in Texas will be handled directly by EPA beginning on January 2, 2011.<sup>1</sup> The Regional Administrator stated that EPA's Region 6 office would be handling the PSD permit application process, including the application reviews, Best Available Control Technology determinations, permit construction and federal public notice and comment provisions of PSD GHG permitting for sources in Texas.

In addition, in 2010, EPA formally disapproved the Texas Commission on Environmental Quality (TCEQ) flexible air permits program. TCEQ submitted the original rules for this program to EPA for approval as a revision to the State Implementation Plan (SIP) in 1994. The State of Texas is pursuing a legal challenge to EPA's decision.

## **III. ISSUES**

Potential issues to be examined at the hearing include:

- EPA's implementation of current and potential future GHG regulations;
- Regulatory burdens and costs associated with implementation of GHG regulations, and potential impacts on new construction and facility expansions; and
- EPA actions taken with respect to the Texas Flexible Air Permitting Program.

## **IV. STAFF CONTACT**

If you have any questions regarding this hearing, please contact Mary Neumayr at 5-2927.

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<sup>1</sup> See [http://www.epa.gov/region6/6xa/pdf/open\\_letter\\_to\\_industry-ghg\\_permits\\_122310.pdf](http://www.epa.gov/region6/6xa/pdf/open_letter_to_industry-ghg_permits_122310.pdf).