

ONE HUNDRED TWELFTH CONGRESS
Congress of the United States
House of Representatives
COMMITTEE ON ENERGY AND COMMERCE
2125 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6115

Majority (202) 225-2927
Minority (202) 225-3641

April 20, 2012

The Honorable Jacob Lew
Chief of Staff
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Chief of Staff Lew:

We write to express our concern that the Administration has not responded to the February 22, 2012, letter to you, or the January 24, 2012, letter to the Administrator of the Environmental Protection Agency (EPA), sent by Members on the Committee on Energy and Commerce requesting an estimate of the total cost of the Utility MACT rule. While EPA's Utility MACT rule will be the single most expensive EPA rule ever imposed on the electric utility sector and American ratepayers, EPA to date has failed to make an estimate of the rule's total cost publicly available. We reiterate our request that the Administration release an estimate of the full costs of this regulation, consistent with the President's mandate that each agency shall make available an assessment of both the costs and the benefits of major regulations.

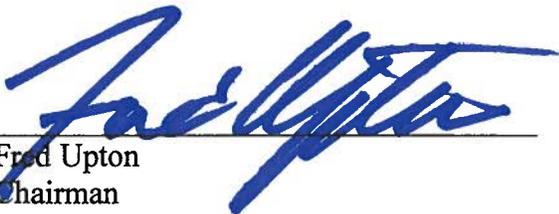
In our prior correspondence to you, we noted that the Committee has received expert testimony projecting that, for the capital costs alone, the Utility MACT rule will require the U.S. electricity sector to raise an estimated \$84 billion before 2015. Subsequent to our letter to you, NERA Economic Consulting has published a report estimating the net employment impact of the rule in 2015 to be a loss in income equivalent to 180,000 full-time jobs, inclusive of any job gains associated with installing retrofits and building new power plants. The report estimates present value of Gross Domestic Product losses from 2012 through 2035 would be between \$84 and \$112 billion. NERA also estimates that EPA's rule will result in losses in disposable income ranging between \$35 and \$71 billion during the period 2012 through 2035.

A cost estimate is critical not only for understanding the actual cost of the Utility MACT rule, but also for understanding the cumulative impact of EPA's full suite of recent and pending regulations affecting the electricity sector. These regulations include the Cross-State Air Pollution Rule finalized last year as well as other major power sector regulations that EPA has

proposed and that will directly regulate existing power plants. Furthermore, we note that the agency has recently proposed greenhouse gas standards for new power plants, and that while the rule as proposed does not apply to existing plants, in the accompanying regulatory impact analysis (RIA), EPA expressly states new greenhouse gas standards for existing plants are forthcoming. Specifically, the RIA states: "Existing sources are not covered in this proposed action, but will be addressed in a subsequent rulemaking by EPA."

Accordingly, and in light of the President's commitment to transparency, we urge the Administration to ensure that EPA comply with the President's Executive Order 13563 and make available to the public the agency's assessment of the total costs anticipated from the Utility MACT regulatory action, as well as the underlying analysis. Thank you in advance for your assistance. Should you have any questions, please contact Mary Neumayr of the Majority Committee staff at (202) 225-2927.

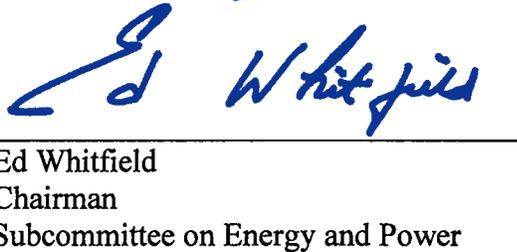
Sincerely,



Fred Upton
Chairman



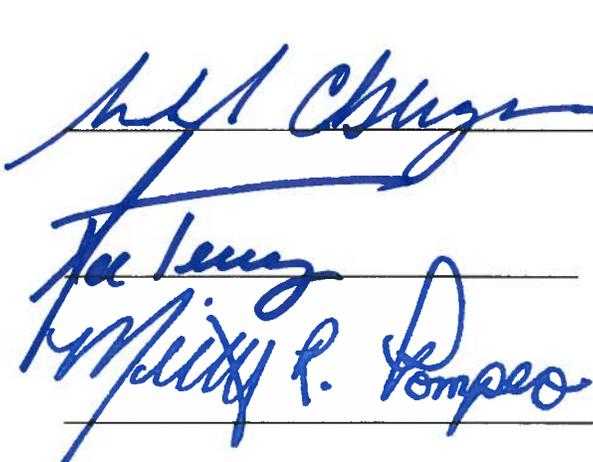
Joe Barton
Chairman Emeritus

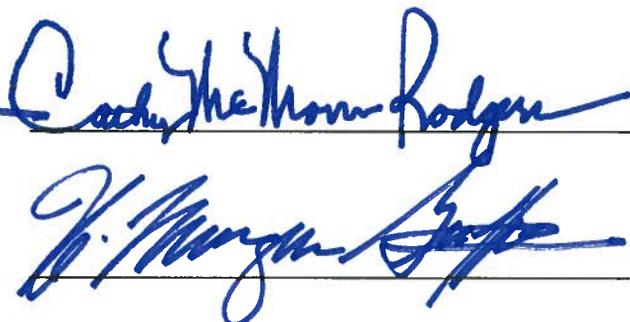


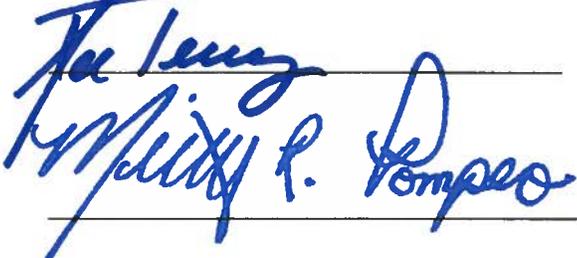
Ed Whitfield
Chairman
Subcommittee on Energy and Power



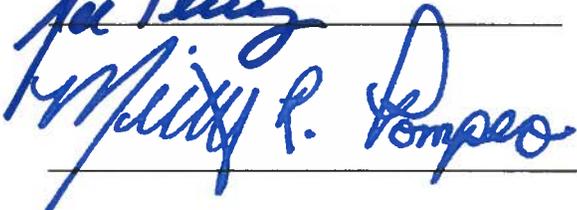
John Shadokus
Chairman
Subcommittee on Environment and the Economy





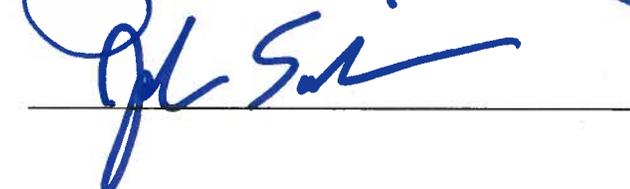


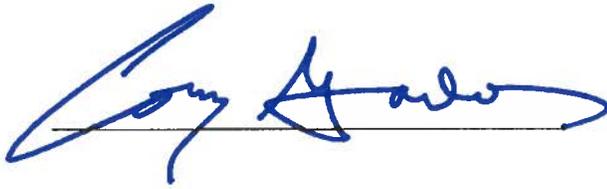












cc: The Honorable Henry A. Waxman, Ranking Member

The Honorable Bobby L. Rush, Ranking Member
Subcommittee on Energy and Power

The Honorable Gene Green, Ranking Member
Subcommittee on Environment and the Economy

LIST OF SIGNATORIES

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