NACAA Model State Plan Revised Outline
To reflect EPA's Final Clean Power Plan

1 Introduction and Background

- 1.1 Introduction
- 1.2 Power Sector Structure and Regulation
- 1.3 Summary of final CPP and proposed FCPP and state model rules

2 State Planning Framework

- 2.1 Plan Development Timeline
- 2.2 Stakeholder Involvement
- 2.3 Potential Regional Partners and Grid Reliability
- 2.4 State Level of CO_2 Reductions Required
- 2.5 Vulnerable Communities and CEIP

3 Plan Types and Components

- 3.1 Basic Plan Types and Implementation Options
- 3.2 Required Plan Components
  - 3.2.1 Federally Enforceable Components
  - 3.2.2 Additional Required Plan Elements
  - 3.2.3 Performance Periods
- 3.3 Streamlined Plan Pathways
- 3.4 Integrity Assurance Plan Components
  - 3.4.1 Leakage to New Fossil Fuel EGUs
  - 3.4.2 Interstate Leakage and Market Effects
  - 3.4.3 Trading Programs with non-EGU Applicability
  - 3.4.4 Plan Demonstration Requirements
  - 3.4.5 Corrective Measures and Triggers
  - 3.4.6 Federally Enforceable Backstops
- 3.5 Universal Plan Components
  - 3.5.1 Initial Plan Submittal and Progress Report Components
  - 3.5.2 Affected EGU Inventory
  - 3.5.3 Emission standards
  - 3.5.4 State Plan Description, Milestones and Demonstration
  - 3.5.5 State Reporting
  - 3.5.6 EGU Monitoring, Recordkeeping and Reporting
  - 3.5.7 Consideration of Grid Reliability
  - 3.5.8 Vulnerable Communities Engagement
  - 3.5.9 Legal Authorities, Funding Mechanism and Supporting Materials

4 Key State Decision Points

- 4.1 Trading Considerations
- 4.2 Mass vs. Rate Goals and Standards
- 4.3 Single vs. Multi-state Plans

5 Mass Based Emission Standards Plans

- 5.1 Mass-based Emission Standards
  - 5.1.1 Available pathways
    - ➢ Mass-based emission limits on affected EGUs

- Mass-based CPP goals for demonstrating plan performance

5.1.2 Single, Interstate and Multi-state pathway options

5.2 Mass-Based Trading Programs

5.2.1 Setting the Initial Allocations

5.2.2 Interim Steps – setting the slope

5.2.3 Operation/Auctions

5.2.4 Trading Constraints

5.3 EPA's Model Rule for Mass-based Trading

5.3.1 Overview

5.3.2 Key Considerations, Points on Expanding or Revising

5.4 Special Considerations

5.4.1 Treatment of New Sources

5.4.2 Interstate effects

5.4.3 Leakage and generation shift issues

5.4.4 RE and EE Considerations

5.4.5 Complementary state measures (will refer to Chapter 6 strategies)

5.4.6 Plan performance demonstrations

5.4.7 Corrective measures and triggers

6 State Measures Plans

6.1 State Circumstances Benefited by State Measures Plan

6.1.1 States with Existing Mass Trading Programs

6.1.2 States with existing RE and EE programs or other measures that are projected to achieve compliance with CPP mass goal (or that could readily be enhanced to achieve compliance)

6.1.3 States that want to minimize federal enforceability

6.1.4 States at or near CPP goal that conclude trading program is not warranted.

6.2 State Measures Strategies and Example Rule Language

6.2.1 Heat Rate Improvement

6.2.2 Generation Shift to NGCC

6.2.3 Renewable Energy & Low Carbon Energy

- Wind, solar, geothermal, hydro, wave, tidal
- Qualified biomass
- Waste-to-energy
- Nuclear
- CHP

6.2.4 Energy Efficiency (will refer to NASEO case studies)

- EERS
- Building Energy Codes & Above-Code Building Certifications
- Energy Savings Performance Contracting
- Industrial Energy Efficiency

6.2.5 Other Measures

6.3 State Measures Backstop

6.4 Special Considerations

6.4.1 Interim Steps Goals

6.4.2 Compliance flexibility

6.4.3 Treatment of New Sources

6.4.4 Interstate effects

6.4.5 General leakage and generation shift issues

6.4.6 Plan performance demonstrations

6.4.7 Single-state vs. Multi-state considerations

7 Rate Based Emission Standards Plans

7.1 Rate-based Emission Standards
- 7.1.1 Available pathways
  - Rate-based standards
  - Rate-based CPP goals
- 7.1.2 Single, Interstate and Multistate pathway options

7.2 Rate-Based Trading Programs
- 7.2.1 Selecting and setting initial rate limits
- 7.2.2 Interim Steps – setting the slope
- 7.2.3 Qualifying ERCs – EGUs, RE, EE, other measures (will refer to Chapter 6)
- 7.2.4 ERC Tracking
- 7.2.5 Trading Constraints

7.3 EPA's Model Rule for Rate-based Trading
- 7.3.1 Overview
- 7.3.2 Key considerations, notes on expanding and revising

7.4 Special Considerations
- 7.4.1 Treatment of New Sources
- 7.4.2 Interstate effects
- 7.4.3 Leakage and generation shift issues
- 7.4.4 EM&V
- 7.4.5 Plan performance demonstrations
- 7.4.6 Corrective measures and triggers

8 Comprehensive Model Plans (Will do 2 of the 3)

8.1 State Measures Plan *(probably not include, or include partial time allowing, per 11/23 call)*
- 8.1.1 Designed with no emission standards, thus no federal enforceability
- 8.1.2 State Measures, such as (draw from Chapter 6)
  - Heat rate improvement standard
  - Gen Shift to NGCC
  - RE
  - EE
- 8.1.3 Federally Enforceable Backstop Provisions

8.2 Rate-based, uniform rate limit, intrastate ERC trading program
- 8.2.1 May expand ERC eligible actions from EPA model rule, draw from Chapter 6

8.3 Mass-based interstate trading with new source complement
- 8.3.1 Expand on EPA model rule and add plan components and rule language for new sources