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Environmental Protection Agency
EPA Docket Center (EPA/DC)
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1200 Pennsylvania Ave., NW
Washington, DC 20460

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On behalf of the over 1 million members of the National Association of REALTORS® (NAR), I appreciate the opportunity to submit these comments on the Environmental Protection Agency's (EPA) proposed rule, "Carbon Pollution Emission Guidelines for Existing Stationary Sources: Electric Generating Units," published at 79 Federal Register 34,830 (June 18, 2014), to reduce carbon dioxide emissions from existing fossil-fueled power generating facilities.

NAR is concerned that the proposed Clean Power Plan will have long-term, negative economic impacts on homeowners, businesses, and communities and will result in minimal carbon reductions.

Under the proposed rule, EPA would require states to meet CO_2 emission targets starting in 2020 on a state-by-state basis. States can use a number of reduction measures ("building blocks") to meet those goals, including:

- Increasing the efficiency of existing power plants;
- Switching from coal-fired power plants to natural gas plants;
- Increasing renewable energy sources, such as nuclear, wind or solar; and
- Reducing the demand for energy through enhanced energy efficiency.

EPA estimates that the Proposed Rule will result in emission reductions of 30 percent from 2005 levels by the year 2030, and believes these state-specific goals will provide states with flexibility to adapt their CO_2 reduction program.

NAR Concerns Related to The Proposed Clean Power Plan
EPA is attempting to impose a new regulatory framework that will transform how electricity is generated, distributed, transmitted, and used. This rule threatens to eliminate the critical competitive advantage that affordable and reliable electricity provides to American homeowners, businesses and the economy.

EPA estimates that this power plant rule will cause nationwide electricity price increases of between 6 and 7 percent in 2020, and up to 12 percent in some locations. EPA projects annual compliance costs between $5.4 and $7.4 billion in 2020, rising up to $8.8 billion in 2030. These costs don't factor in the economy wide impacts of more expensive electricity. Adding insult to injury, impacted businesses will choose to move overseas, taking their emissions and their jobs with them. America will have fewer jobs, but global emissions won't decrease.

EQUAL HOUSING OPPORTUNITY

Higher energy prices disproportionately harm low-income and middle-income families. Since 2001, energy costs for middle-income and lower-income families have increased by 27 percent, while their incomes have declined by 22 percent. If families are spending more on electricity, this leaves less for them to spend on the purchase of a home and makes the cost of operating a home more expensive. If this rule is finalized, we can expect fewer families to realize the American dream of homeownership. Some homeowners could be forced to walk away from their existing homes due to rising energy costs.

Commercial buildings will also be impacted by increased utility costs. Building owners will have a harder time attracting tenants, or existing tenants will be priced out of their leases. Leases could include energy-related concessions that are costly to building owners. In many retail and service settings, the increased costs will be passed on to the consumer.

Half-empty office buildings, depressed retail environments and increased consumer costs paint a bleak picture for the outcome of the proposed increased utility costs. Blighted properties reduce property values. Empty storefronts and offices depress local and regional economies.

In both residential and commercial properties, utility costs play a significant role in the decision-making process of a prospective tenant or purchaser. The Great Recession demonstrated the importance of the real estate sector as a critical engine of the economy. Such a significant increase in utility costs will hinder the pace of real estate transactions and will slow down the economy overall. It is not prudent to implement such drastic and costly rules at this time.

EPA's carbon rules will increase reliability risks and the potential for brownouts and blackouts at times Americans rely on electricity the most. EPA should not move forward with this regulation until comprehensive and independent reliability analysis is undertaken by expert organizations such as the Federal Energy Regulatory Commission (FERC) and the North American Electric Reliability Corporation (NERC).

No matter what regulatory approach EPA takes for power plants, its impact on global greenhouse gas emissions will be minimal. EPA's regulations will impose billions in costs on the U.S. economy but fail to reduce carbon emissions on a global scale. If EPA's proposed mandate is met, projected global emissions would be reduced by a mere 1.3 percent in 2030. Upon full implementation in 2030, the carbon reduced from this massive and costly regime would offset the equivalent of just 13.5 days of emissions from China. In terms of achieving its stated goal of reducing greenhouse gas emissions, this rule will be ineffective.

Despite the magnitude and incredible complexity of EPA's proposal, and despite requests for significantly longer time to develop public comments, the agency plans to finalize and implement the rules on a rushed and arbitrary timeline.

Therefore, NAR requests that EPA withdraw this ill-conceived proposed rule, hold additional public hearings and collect more data to develop an approach for energy development, conservation and pollution prevention that benefits the environment without negatively impacting homeowners and the still-recovering economy. EPA needs to go back to the drawing board with this proposal.

Sincerely,

Chris Polychron
2015 President, National Association of REALTORS®