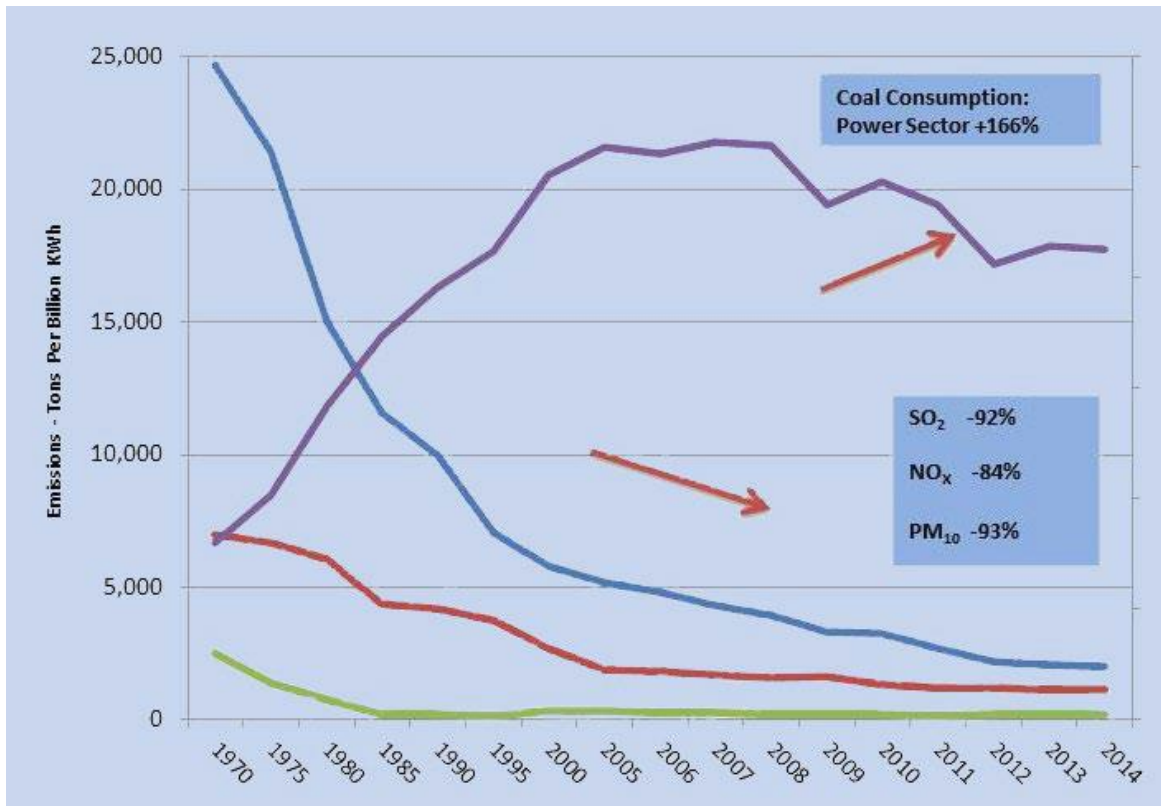


Affordable Clean Energy Rule

We support the Environmental Protection Agency's proposed Affordable Clean Energy Rule and the repeal of the Clean Power Plan. We reiterate our support for the **cooperative federalism** that has led to successful reductions in criteria pollutants while fossil fuel use has increased.



North Dakota's energy profile positions it to be a leader in reducing CO₂ use while using **its 800-year supply of lignite coal** to drive the region's prosperity for decades to come. The future of the industry relies on preserving existing assets and developing mutually-beneficial relationships between the coal, oil and gas, and other value-added industries utilizing carbon dioxide. Achieving **cost-effective carbon capture** will require a strong **public-private partnership** between industry partners and state and federal governments.



North Dakota has:

- the **natural resources, state and industry support, and technological base** to serve as a leader in “cracking the code” on carbon capture and utilization
- 2nd largest reserve of lignite coal in the world – **800 year supply** at current production rate using today’s technology and demand levels
- Bakken and Three Forks Formations – **7.4 to 11 billion barrels of recoverable oil** with today’s technology – possible opportunities for enhanced oil recovery using carbon dioxide
- **World-Class Research and Development** at the University of North Dakota Energy and Environmental Research Center (EERC)
- **Lignite, Oil and Gas Research Councils**, funded by coal severance and oil extraction taxes

We believe that as EPA considers the public comments that have been recently submitted by a variety of stakeholders, that they should consider the following proposals that **will strengthen the ACE Rule and make it both legally supportable and practically achievable**:

- Regulation under 111(d) of the Clean Air Act should be **primarily driven by the states**
- Support for EPA’s interpretation of § 111(d) that **precludes the EPA from attempting to establish** an emission guideline based on “**outside-the-fence-line**” considerations
- The final rule should be enhanced and made **more effective** by EPA streamlining of **New Source Review** regulations to **incentivize major investments** for modernizing coal-fueled electric generation plants, including clean coal technologies and carbon capture and storage
- The final rule should be based on Best System of Emission Reduction (BSER) technology that is **commercially available**
- The rule should allow utilities to operate plants up to the **remaining useful life** of those plants
- The justification of the rule should not **count** or refer to benefits that come from reducing emissions other than CO₂,
- The rule should adequately reflect the **characteristics of each fuel source**, differentiating lignite coal from other coal types
- The rule should clarify that the ACE rule applies **only to coal powered** energy generating units