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Contact: Derek Sylvan | (212) 998-6085 | derek.sylvan@nyu.edu

CLEAN POWER PLAN REPEAL RELIES ON SHODDY ECONOMICS, LAW AND SCIENCE

The Trump administration is expected to repeal the Environmental Protection Agency’s Clean Power Plan tomorrow. The repeal proposal, which has already been published by several news outlets, makes irrational changes to the EPA’s original analysis of the rule, and incorrectly suggests that the Clean Power Plan is not cost-benefit justified or consistent with legal precedent.

The agency’s original analysis of the rule showed that it would generate between $32 and $54 billion in annual health and environmental benefits, compared to between $5.1 and $8.4 billion in annual compliance costs, and recent analyses show that the costs would in fact be far lower due to electric sector trends. The Clean Power Plan’s design is also consistent with decades of Clean Air Act practices under presidents of both parties, despite Scott Pruitt’s claims about illegality.

A list of informational resources relevant to the repeal can be found below.

Richard Revesz, Lawrence King Professor of Law and Dean Emeritus of NYU School of Law, and Director of the Institute for Policy Integrity, has released the following statement:

“This repeal will have serious consequences, exposing Americans to dirtier air and delaying vital actions needed to address climate change. The repeal is based on shoddy economic analysis and flawed legal arguments, and it will certainly face court challenges. The Supreme Court has made clear that EPA is required to regulate greenhouse gas pollution, and the Trump administration cannot simply ignore that fact.”

Jack Lienke, Regulatory Policy Director at the Institute for Policy Integrity, has released the following statement:

“The changes EPA has made to its original cost-benefit analysis are economically irrational and inconsistent with the best available science. They’re quite transparently designed to exaggerate the Clean Power Plan’s costs and obscure its substantial benefits. A good-faith update would have found that the Clean Power Plan’s emission targets are even cheaper to achieve than EPA predicted back in 2015, thanks to the falling cost of zero-carbon renewables and lower-carbon natural gas.”
Denise Grab, the Western Regional Director at the Institute for Policy Integrity, has released the following statement:

“In this revised proposal, the Trump administration is delivering a windfall of money to coal executives and a flood of public health costs to the American people. The administration is trying to let dirty power plants off the hook from making the reasonable and cost-effective carbon pollution reductions that the law requires.”

Please let me know if you would like to speak with Revesz, Lienke, or Grab.

ADDITIONAL RESOURCES:

- Our recent report, *The Falling Cost of Clean Power Plan Compliance*, discusses various independent analyses showing that electric sector trends have made it vastly cheaper to achieve the rule’s targets.
- A 2016 *Environmental Law Reporter* article about the many legal precedents for the Clean Power Plan, written by Revesz, Grab, and Lienke.
- Our 2016 analysis of how the Clean Power Plan conforms to statutory limits on EPA’s authority.
- Our issue brief on regulatory “co-benefits” (p. 3 discusses valuing particulate matter reductions beyond National Ambient Air Quality Standard limits – a matter being reversed in the repeal).
- A 2017 letter in the *Journal of Environmental Economics and Policy* on the importance of using a global social cost of carbon, written by Revesz, Nobel Prize-winning economist Kenneth Arrow, and a number of other academics.
- Grab’s 2017 article explaining why the Interagency Working Group’s social cost of carbon is consistent with economic best practices and why the Trump administration’s use of a higher discount rate does not reflect economic reality.

The Institute for Policy Integrity at New York University School of Law is a non-partisan think tank dedicated to improving the quality of government decision-making. The institute produces original scholarly research in the fields of economics, law, and regulatory policy; and advocates for reform before courts, legislatures, and executive agencies.