Gov. Pat McCrory and a host of business leaders were quick to praise the U.S. Supreme Court’s decision on Tuesday blocking President Obama’s signature climate change program from moving forward until a trial in federal court is concluded.

McCrory lauded the 5-4 decision that could spell legal doom for the administration’s Clean Power Plan, which a 22 percent spike in home energy costs in North Carolina, critics of the plan say. The North Carolina Chamber, which opposes the plan, may file a brief on behalf of the state’s businesses as the lawsuit heads to trial.

“We are pleased the Supreme Court recognizes that the federal power plan will dramatically increase North Carolina’s electricity rates with little, if any, environmental benefit,” McCrory said in a written
release. “We will continue to fight the Obama administration’s illegal attempts to take over North Carolina’s power system.”

McCrory contends the federal plan would restructure radically the way electricity is produced and consumed throughout the country, drastically increase energy costs, and threaten job creation.

Among other goals, the rules the Environmental Protection Agency articulated under the Clean Power Plan aim to reduce carbon emissions 32 percent by 2030 when compared to 2005 levels. Shutting down coal-fired energy plants, along with increasing the use of natural gas and more expensive wind and solar energy, would accomplish that.

North Carolina is one of 29 states that sued to halt federal encroachment on states’ rights to set their own energy policy. McCrory joined the lawsuit after Attorney General Roy Cooper declined to sign on.

The Supreme Court issued no comment explaining its order. Chief Justice John Roberts, and Justices Antonin Scalia, Anthony Kennedy, Clarence Thomas, and Samuel Alito were in the majority. Dissenting were Justices Ruth Bader Ginsburg, Stephen Breyer, Sonia Sotomayor, and Elena Kagan, all Democratic appointees.

White House press secretary Josh Earnest said the Obama administration is confident it will prevail on the merits of the case, which is being heard by a federal appeals court on an expedited basis. Arguments are scheduled for June 2. Depending how quickly a decision is rendered, the Supreme Court could get the case in time for its October term.

“The Clean Power Plan is based on a strong legal and technical foundation, gives states the time and flexibility they need to develop tailored, cost-effective plans to reduce their emissions, and will
deliver better air quality, improved public health, clean energy
evestment and jobs across the country, and major progress in our
efforts to confront the risks posed by climate change,” Earnest said.

Jay Timmons, president and CEO of the National Association of
Manufacturers, took the opposite view.

“The granting of our motion to delay implementation while the
courts debate the legality of the Clean Power Plan not only shows the
strengths of the merits of our case, but also saves manufacturers
from billions of dollars in unjustly incurred regulatory costs,”
Timmons said in a post on the organization’s web site.

“The Supreme Court’s stay of this rule, and the D.C. Circuit [Court of
Appeals]’s order to hear the case quickly will ensure that America
will not be forced to make costly and irreversible implementation
decisions based upon an unprecedented regulation until judicial
review is complete,” U.S. Chamber of Commerce president and CEO
Thomas Donohue said in a statement.

Aside from putting government in control of energy choices, and
driving up electricity costs, the plan “reduce our nation’s global
competitiveness,” Donohue said.

Research by the U.S. Chamber’s Institute for 21st Century Energy
said the Clean Power Plan would hit the South Atlantic region the
hardest. North Carolina, Delaware, the District of Columbia, Florida,
Georgia, Maryland, South Carolina, Virginia, and West Virginia are
in that region.

“Its GDP losses make up about one-fifth of total U.S. GDP losses,
with an average annual loss of $10.5 billion and a peak loss of nearly
$22 billion in 2025. This region also will have an average of 60,000
fewer jobs over the 2014-30 forecast period, hitting a 171,000 job
loss trough in 2022,” the institute reported.
Prior to the Supreme Court ruling, the North Carolina Chamber was considering filing a friend-of-the-court brief in a lawsuit brought by the U.S. Chamber and 14 other business organizations against the EPA. A decision was anticipated “very soon,” according to Gary Salamido, state chamber spokesman.

“We’re looking forward to a new administration in Washington. This one hasn’t been good to business,” he said.

The Clean Power Plan has infused uncertainty into the state’s business climate, and “makes it unpredictable” for businesses to determine future plans without knowing what energy costs might be, Salamido said.

“This looks to be a really activist approach by the federal government to go beyond what people are doing, and that’s never good for business when you don’t have a predictable environment,” Salamido said.

The state Department of Environmental Quality “has consistently maintained that the EPA cannot legally regulate emissions in the manner set forth under the federal power plan,” department spokeswoman Stephanie Hawco said.

The state is developing a “primary plan” that complies with “the only component of the plan that is legal,” Hawco said. That is the “best way to comply with the law, protect energy rates, and prevent a federal takeover of the state’s energy program.”

The state Environmental Management Commission, a 15-member regulatory agency that must adopt all environmental rules governing state air and water quality programs before they are implemented, will vote on DEQ’s primary plan at its meeting next Tuesday.*

“If it is approved it will go to the General Assembly, which could decide to take it up during the short session,” Hawco said.
North Carolina has reduced greenhouse gas emissions by nearly 25 percent since 2005 without federal intrusion while keeping energy costs low, she said. The state is on track to meet its 30 percent reduction by 2030.

But a sharp point of contention is that the federal power plan uses 2012 as a baseline for North Carolina. That bars the state from receiving credit for any emissions reductions made between 2005 and 2012, and ignores the state’s prior investments in making its power fleet more efficient, Hawco said.

*Editor’s Note: The EMC’s scheduled vote on the state’s primary plan was canceled after the Supreme Court ruling, as the DEQ decided to wait “until legal challenges have been resolved,” DEQ said in a blog post. “The decision relieves states from unnecessarily spending time and money to create a plan that complies with the rule while the legal case proceeds.”

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