

Message

From: Streett, Mary [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=BE3E9AAA98684F67A347034A266E714C-STREETT, MA]
Sent: 24/06/2021 11:22:55
To: Cochrane, Phil [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=358c71388b4d483bbd38d642b66f4913-Cochrane, P]; Magallanes, Downey [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=48496948ae8d4955b91440a3aa99dcab-Magallanes,]; Ellis, Joe [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=1f4bf7c283ee485fa5efaa515d4c0375-Ellis, Joe]
CC: Mogstad, Isabel [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=2cca7979267648a4a22bdd1efc20ad8f-Mogstad, Is]
Subject: FW: Newly Revised Bipartisan Draft CES-Nuclear ZECs Bill and Administration on Nat Gas Only with CCUS
Attachments: CEFTIA of 2021 Section-by-Section.pdf; MCKINL_040_xml.pdf

This will be coming your way likely through Dawn– but see below from Orlando

I am concerned that Administration moving towards squeezing out gas.
Interested in your thoughts on what we need to be doing with Administration (besides pushing for strong Methane regulation) – to preserve role for gas in power generation

Thanks
Mary

Mary Streett
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#bpNetZero

Confidential

From: Alvarez, Orlando A <[REDACTED]>
Sent: Wednesday, June 23, 2021 6:54 PM
To: Streett, Mary <[REDACTED]>; Ellis, Joe <[REDACTED]>
Cc: Constantin, Dawn M <[REDACTED]>
Subject: FW: Newly Revised Bipartisan Draft CES-Nuclear ZECs Bill and Administration on Nat Gas Only with CCUS

I would usually run this through Dawn to work with your teams, but Board meeting tomorrow. See the Energy Secretary's comment about gas (hi – lit in yellow)....."only clean if combined with CCUS".

NGSA wants to respond to this. At this time my response will be that I need to run this by our DC office and cannot agree or disagree.

Would be good if we can discuss.

Thanks

O

Confidential

From: Dena Wiggins <[REDACTED]>
Sent: Wednesday, June 23, 2021 12:04 PM
To: Board Of Directors <[REDACTED]>
Cc: Government Relations AG <[REDACTED]>
Subject: FW: Newly Revised Bipartisan Draft CES-Nuclear ZECs Bill and Administration on Nat Gas Only with CCUS

Please see below, particularly the highlighted paragraph as it is relevant to our discussion tomorrow.

Dena

From: Patricia Jagtiahi <[REDACTED]>
Sent: Wednesday, June 23, 2021 12:59 PM
To: Business Leadership <[REDACTED]>; Power Markets WG <[REDACTED]>
Cc: Dena Wiggins <[REDACTED]>; Daphne Magnuson <[REDACTED]>
Subject: Newly Revised Bipartisan Draft CES-Nuclear ZECs Bill and Biden Gas Only with CCUS

TO: NGSA Business Leadership Committee and Power Markets Advisors

I wanted to make sure that you are aware that Representatives David McKinley (R-WV) and Kurt Schrader (D-OR) are planning to release the attached bill this week, which makes some changes to the CLEAN Energy Future Through Innovation Act of 2021 that was originally introduced in December of last year. The full text is attached as well as a section-by-section description and I have also copied the key provisions of interest below. Since this is a bipartisan bill, we will be closely monitoring its progress.

Also, I wanted to make sure that you are aware that the Energy Secretary stated in response to a question posed by a Senate subcommittee that the White House only backs the inclusion of natural gas in its proposed clean energy mandate if it is coupled with carbon sequestration. Specifically, she stated, "I think that if you combined natural gas with carbon removal so that it was really clean and that you had zero carbon emissions, it could be" included in the administration's Clean Energy Standard Act." NGSA would like to be able to respond to this notion of excluding gas without CCUS but we will await the Board's CES discussion tomorrow.

If you have any questions, please let me know.

Pat

Patricia Jagtiani
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[REDACTED]
NGSA CLNG



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Section 301 – Zero-Emissions Credit Program: Creates a DOE program to provide zero-emission credits (ZECs) to existing nuclear plants, beginning 2 years after enactment. Specifically:

- ZECs are set at \$13.25 per MWh, with an annual adjustment for inflation;
- DOE may reduce the value of the ZECs if they are not needed;
- Revenue from clean energy credits (CECs) authorized in Title 4 is subtracted from the value of ZECs issued to a plant; and
- The ZEC program terminates 5 years after the first effective compliance date of the CES.

Section 402 – Federal Clean Electricity Standard: Establishes a federal clean electricity standard (CES) that:

- Requires utilities to purchase clean energy in increasing amounts over time to achieve an 80% reduction in CO2 emissions by 2050;
- Sets the emissions baseline as the year of enactment;
- Sets the first compliance period as 10 years after enactment, or 2 years after the date when cost-effective market penetration (as established under section 401) is achieved;
- Requires DOE to project emissions requirements of the first compliance period 2 years after enactment to facilitate planning for utilities;
- Establishes alternative compliance payments (ACPs) of \$30 per MWh, rising 5% annually, adjusted for inflation;
- Allows CECs to be traded or banked for future use;
- Credits all generation with annual CO2 intensity less than .82 metric tons per MWh;
- Exempts electricity suppliers that sold less than 20 MWh to consumers in the previous year;
- Directs DOE, in coordination with the Federal Energy Regulatory Commission (FERC), to consider dynamic crediting methodologies, which would base crediting on displaced CO2;
- Directs DOE to substitute a dynamic crediting methodology (or methodologies) for crediting purposes, if approved;
- Amends the Clean Air Act to provide that, for the first compliance period of the CES, a change to a power plant to reduce its CO2 emissions will not trigger New Source Performance Standards requirements for the plant, provided that the change does not cause:

- o A violation of a National Ambient Air Quality Standard (NAAQS) affecting an environmental justice community; or
- o An increase in the maximum hourly rate of the plant's emissions of a regulated pollutant; and
- o Both a significant increase and a significant net increase in the plant's actual annual emissions of such a pollutant.

- Establishes civil penalties for noncompliance; and
- Does not preempt state and local governments;