



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
WASHINGTON, D.C. 20460

MAY 10 2002

OFFICE OF  
AIR AND RADIATION

The Honorable Henry Waxman  
Ranking Member  
Committee on Government Reform  
U.S. House of Representatives  
Washington, DC 20515

Dear Congressman Waxman:

I am writing in response to your letters of March 7, 2002, and April 18, 2002, and requests from others in Congress for technical assistance as you develop legislation to address emissions from the power generation sector. I appreciate your interest in this significant issue. The President believes it is important to enact legislation that will provide important public health and environmental benefits by establishing a new regulatory program to reduce emissions of three key pollutants from the power generation sector. His Clear Skies legislative initiative would do just that – reducing emissions from power generators of these three pollutants by approximately 70 percent.

The Agency is providing you with modeling information that forms a robust data base to inform Congressional debate on legislation addressing emissions from power generation. Given the significant public health, environmental and economic issues posed by this legislation, I agree with you on the need for an informed debate. It is important to understand how different emission levels and timing affect costs, public health, the environment, fuel diversity, electricity prices and other matters of significance to the country.

In developing the President's Clear Skies Initiative, the Administration relied on state-of-the-art models run by EPA and our contractors. One model, the Integrated Planning Model (IPM) – predicts how the industry will respond to different emission caps and timing. Among other things, it projects the costs of a specific multi-pollutant policy choice, as well how much and when emissions will be reduced. We then use the emissions output from that model and enter it into other models that project changes in air quality. This allows us to project the environmental and public health benefits of a particular policy option. These models are so sophisticated that it can take months to run a complete air quality simulation and quality assure the data.

During the development of the Clear Skies Initiative, the Administration looked at a wide range of policy options, but did not have the time or computing power to perform complete air quality simulations for each policy option. Instead we modeled options for various points in the range and used those results to inform our policy choices. EPA will be providing to Congress each of these multi-pollutant air quality modeling runs and its accompanying IPM run. As you

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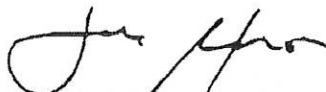
will see, the modeling runs the Agency is providing you range from one that is more stringent than Clear Skies to one that is less stringent than Clear Skies in 2020. Because these runs bound Clear Skies, they allowed us to estimate the public health and environmental benefits of our proposal. Nevertheless, EPA is proceeding with additional air quality modeling to project more precisely the public health and environmental benefits of Clear Skies. The Agency will provide the Clear Skies-specific air quality modeling later; however, we are including the Clear Skies IPM run with this release.

Over the next two weeks, the Agency will release information from all the air quality runs we completed for development of the Clear Skies proposal and their accompanying IPM runs. Because of the large amount of data I am providing, over ten thousand pages, I will be sending the data in several sets. Enclosed is the first set – thousands of pages of outputs from the IPM runs. The Agency will work with your staff to arrange an appropriate way to provide the remaining information.

The information we are releasing forms a robust database necessary to inform the Congressional and public debate on multi-pollutant legislation for the power generation sector. These data will meet the need you have expressed to have the information necessary to evaluate legislation properly. In particular, I am providing results from all air quality modeling that EPA has performed or commissioned since January 1, 2001, for emissions limits on power plants. After you and your staff have reviewed this extensive data base, please have your staff contact the Agency regarding your written requests for information.

Given the complicated nature of this information, I will be pleased to have EPA staff meet with your staff to help them understand the information we are providing. If you have additional questions, please contact me or have your staff contact Michele Aston in the Congressional and Intergovernmental Relations office at (202) 564-5051.

Sincerely,



Jeffrey Holmstead  
Assistant Administrator

Enclosure