When the President released the final version of the Clean Power Plan last week, it contained a number of big alterations to the draft plan. One of the most significant changes was the way each state's greenhouse gas emissions target was calculated. The bottom line is that — generally — states more heavily reliant on coal fired power plants will have to make bigger cuts than they would have had to make under the proposed plan while states that are already relatively ahead in using clean energy sources now have lower targets. The changes EPA made are likely to strengthen EPA's legal case for the CPP but make the plan even less popular that it already was in coal states. Many of the states whose targets got higher are red states politically — Kentucky, North Dakota and Montana, for example. But some are blue or swing states, including Illinois, Iowa and Wisconsin. At the end of the day, the shifting politics had to take a back seat to strengthening EPA's legal case. And, frankly, at least at first blush the new way of calculating the state emissions targets seems more reasonably related to how dirty a state's electricity generation is. That makes sense from a policy perspective too. Though it's behind a paywall, Energywire has a great interactive map that shows state targets and allows you to toggle back and forth between the old targets and new ones. Here's another map showing the old state rates and a chart showing the new rates.

The shifting state targets raise really interesting political questions, all of which will be faced by Presidential candidates and whoever is our next President. Does a shift from a weaker to stronger target make political attacks –at a state by state level — more effective? Will the Democratic presidential candidates embrace the specifics of the plan? Will candidates promise changes for swing states that complain about the stringency of targets? I'm assuming, here, that the Republican candidates will continue their virulent opposition to EPA carbon regulations no matter what the content, though also wonder if the shift in stringency provides the party's nominee additional ammunition during the general election?

Here's an explanation of the difference between the old state targets and the new ones. The CPP comes out of Section 111d of the Clean Air Act. We have explained how Section 111d works in other posts but for understanding how EPA set state carbon limits here is a bit of background. Under Section 111d, in general terms EPA first has to provide guidance to states about how much of a particular pollutant certain categories of polluters must eliminate. States can then decide how to go about requiring their polluters to meet the targets through plans they submit to EPA. It's the first step — the state targets that the CPP sets telling states how much their power sector must cut its greenhouse gases — that changed dramatically from the draft plan to the final plan.

The question of how to calculate that limit is a big and not very clear question and will be at the center of lawsuits challenging the CPP. That's because Section 111d simply tells EPA to set state targets based on "the best system of emissions reductions." As Cara explained last week, those words are hardly straightforward. What is a "system"? What is "the best system"? In the *draft* plan, EPA set the limits by using four "building blocks" to calculate by how much a state could reduce its greenhouse gas emissions (after first figuring out a state's "emissions rate" based on the greenhouse gas intensity of their electricity generation). These building blocks included traditional controls on power plants but also reductions based on going "beyond the fence line" of the power plant to include reductions like using different fuels to generate electricity (switching from coal to natural gas, for example). The most controversial of the four building blocks — from a legal perspective — was to base the state targets on cuts in greenhouse gases from energy efficiency. Energy efficiency is controversial from a legal perspective because it's telling users of electricity — consumers — to use less electricity, not telling power plants or utilities to use cleaner ways of producing the electricity. Many observers worried that the focus on energy efficiency would make the Clean Power Plan more vulnerable legally. In the new final CPP, EPA got rid of energy efficiency as a building block and instead relied only on three building blocks: direct reductions at power plants, using natural gas plants more often than coal, and using more renewable energy through the whole system. Getting rid of energy efficiency doesn't eliminate the legal risk — the CPP still goes beyond the fence line of power plants in calculating required emissions reductions. Or to put it a different way, the plan views the electric grid as one giant system, or machine, and calculates potential emissions reductions based on the ways in which the interconnected machine already operates. But in removing energy efficiency from the calculation of the best "system" of emissions reductions, EPA probably lowers the legal risk since the remaining building blocks are about making the generation of electricity cleaner, not requiring consumers to use less of it.

EPA didn't stop with eliminating the fourth building block to make the CPP more legally

secure. It also now calculates state targets based not just on what they can achieve from applying the building blocks but also based on how much natural gas and coal-based electricity the states currently generate. The old plan didn't take this second step. But Section 111d is all about getting greenhouse gas cuts from power plants. It's important, then, to link the reductions to the plants that are the subject to the regulation. Through a very complicated process, EPA figured out how to apply the reductions it determined could occur from the building blocks described above to a state's existing natural gas and coal fired power plants. Essentially, EPA said to each state: you can cut "x" many tons of carbon emissions from each of your power plants based on the assumption that you can install some equipment to make your power plants cleaner, use cleaner fuels throughout your power sector and rely more on renewable energy. There's also a regional component to how these numbers are calculated, explained really clearly by Vox's Brad Plumer here. But the bottom line is that EPA took the number it calculated by which a state could reduce its greenhouse gases (again, based on the building blocks), applied a formula to each coal and natural gas plant in a state based on the building blocks, and set the state target. The final plan isn't any less ambitious than the draft plan — in fact it assumes states can achieve slightly larger overall emissions reductions by 2030. But again by tying the reductions to individual power plants and eliminating energy efficiency as a building block, EPA reduced (though by no means eliminated) the chances that a court will strike the plan down as inconsistent with the Clean Air Act. And by tying emissions reductions to the natural gas and coal fired power plants that actually emit greenhouse gases, EPA tied emissions reductions more closely to the power plants doing the carbon polluting. Even though EPA's plan makes more legal and policy sense, though, the agency may have increased political opposition to the plan (if that's possible), at least among those states that saw their target emissions cuts go way up.