What parts of the country benefit most from the series of new EPA rules addressing pollution from coal-fired power plants? The answer is not what you think.

EPA does a thorough cost-benefit analysis of its regulations but the costs and benefits are aggregated at the national level. In a new <u>paper</u>, David Spence and David Adelman from the University of Texas break down these figures on a regional basis. What they found may surprise you. In fact, the areas benefitting the most are the very ones that rely most on coal. The reason is simple. Much of the benefit from reducing the use of coal comes in the form of health improvements — fewer heart attacks and deaths from respiratory disease, fewer asthma attacks. These health improvements are mostly in the vicinity of the power plants. So the same places that will have to pay the costs of reducing their coal use are the very ones who will reap many of the benefits. As is the case nationally, the benefits are much greater than the costs on a regional basis.

In addition to teasing out regional costs and benefits, Spence and Adelman also took a close look at issues of regional grid reliability and tried to figure out the politics of opposition to the EPA regulations. Again, the answers are illuminating. Here are some quick summaries:

Grid reliability. On a national scale, there seems to be little threat to grid reliability. There could be local problems but in most cases these localities can draw on regional grid resources to deal with the issue. One exception may be Texas, whose grid isn't connected to the national system. There were further revisions to the EPA rule too late to be considered in the paper, and they included greater safeguards against grid reliability problems. So I suspect reliability is not going to be a big issue in the end.

Opposition to EPA. Spence and Adelman analyzed comments on the EPA rules by state agencies and litigation against EPA by state attorney generals. They found some association with the state's ideology (measured by the percentage of people identifying as "conservatives"), and with pure interest group politics (states where coal interests are strong). Pure partisan politics seem to play a major role: Republican officials were far more likely than Democratic ones to oppose EPA. Encouragingly, they found evidence from public opinion polls that conservative attitudes on energy issues are softening.

It's a pity that officials in the very states where the EPA rules will save the most lives have fought hardest against them. Apparently politics, ideology, and industry support count for more than health of their own citizens.