

EPA's New Greenhouse Gas Emissions Rule for U.S. Power Sector – Legal Considerations and Business Impacts

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On August 21, 2018, the United States Environmental Protection Agency (“EPA”) proposed the Affordable Clean Energy Rule (the “ACE Rule”) which would replace its 2015 Clean Power Plan (the “CPP”) in its entirety, both of which were designed to regulate the greenhouse gas (“GHG”) emissions of fossil fuel-fired power plants pursuant to EPA’s authority under Section 111(d) of the Clean Air Act. The ACE Rule dramatically scales back the ambitious sweep of the Obama administration’s CPP. Whereas the CPP proposed to limit GHG emissions by shifting the nation’s electricity generation away from fossil fuel-fired sources towards natural gas and renewables, the ACE Rule is limited to measures aimed at improving the efficiency and prolonging the lifespan of coal-fired power plants. The full text of our memo describing the rule, likely legal challenges and practical implications for business and on existing international agreements on climate change is available [here](#).

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

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