November 30, 2015

To: Members of the U.S. House
   House staff assigned to steel and/or energy and environmental issues

SUPPORT S.J.RES. 23 AND S.J.RES. 24 TO DISAPPROVE EPA REGULATIONS ON GREENHOUSE GAS EMISSIONS FROM ELECTRIC UTILITIES

Background

As the production of steel is energy-intensive, the availability and reliability of electricity is essential to the international competitiveness of the domestic steel industry. In order to reduce costs and improve its competitiveness, the industry in the U.S. has reduced its energy-intensity by 32 percent since 1990, while reducing its greenhouse gas (GHG) emissions by 37 percent over the same time period. In fact, the U.S. Department of Energy has indicated that the steel industry in the U.S. has the lowest energy intensity and second-lowest carbon dioxide (CO₂) emissions intensity of any major steel producing country.

The steel industry in the U.S. is subject to substantial international competition, often from nations such as China, where the industry is largely state-owned, controlled and subsidized. Given these challenges, policies enacted in the U.S. that raise energy costs on domestic companies threaten the industry’s ability to remain competitive internationally.

Situation

The Environmental Protection Agency (EPA) has undertaken a two-pronged approach to regulate GHG emissions from electric generating utilities. Its final “Clean Power Plan” regulations require existing power plants to reduce CO₂ emissions by 32 percent in the next 15 years, while the final rule for new power plants will have the effect of requiring uneconomic carbon capture and storage technology. Although these regulations are placed directly on the utility sector, electricity customers will bear the costs associated with compliance. The rules will likely raise the cost of electricity to large industrial customers like steel producers, while potentially lessening the quality and reliability of our nation’s electricity supply. S.J.Res 23 and S.J.Res 24 disapprove of these EPA regulations under the Congressional Review Act, and passed the Senate on a bipartisan basis on November 17.

Request

AISI urges all members of the House to support S.J.Res 23 and S.J.Res 24 when they are considered on the floor this week. Doing so will help uphold the international competitiveness of the domestic steel industry by maintaining an affordable and reliable supply of electricity.

Sincerely,

Thomas J. Gibson