ORAL ARGUMENT HELD SEPTEMBER 27, 2016

IN THE UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT

STATE OF WEST VIRGINIA, ET AL.,

Petitioners,

v.

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY, ET AL.,

Respondents.

No. 15-1363 (and consolidated cases)

EPA STATUS REPORT

Pursuant to this Court's order of March 1, 2018 (Doc. #1720228),

Respondents United States Environmental Protection Agency, et al. ("EPA"), hereby provide the Court with their scheduled 30-day status report.

1. These cases involve numerous consolidated petitions for review of an

EPA rule entitled "Carbon Pollution Emission Guidelines for Existing Stationary Sources: Electric Utility Generating Units" ("the Rule"). 80 Fed. Reg. 64,662 (Oct. 23, 2015). The Supreme Court granted applications for a stay of the Rule pending judicial review on February 9, 2016. Order, <u>West Virginia v. EPA</u>, No. 15A773. Following full merits briefing, oral argument was held before this Court, sitting <u>en banc</u>, on September 27, 2016. 2. On March 28, 2017, the President of the United States issued an Executive Order establishing the policy of the United States that executive departments and agencies "immediately review existing regulations that potentially burden the development or use of domestically produced energy resources and appropriately suspend, revise, or rescind those that unduly burden the development of domestic energy resources beyond the degree necessary to protect the public interest or otherwise comply with the law." Executive Order, "Promoting Energy Independence and Economic Growth," § 1(c), 82 Fed. Reg. 16,093 (Mar. 28, 2017). With respect to the Rule in particular, the Executive Order directs the Administrator of EPA to "immediately take all steps necessary" to review it for consistency with these and other policies set forth in the Order. Id. § 4. The Executive Order further instructs the agency to "if appropriate [and] as soon as practicable . . . publish for notice and comment proposed rules suspending, revising, or rescinding" the Rule. Id.

3. In accordance with the Executive Order and his authority under the Clean Air Act, the EPA Administrator signed a Federal Register notice on March 28, 2017, announcing EPA's review of the Rule and noting that if EPA's review "concludes that suspension, revision or rescission of this Rule may be appropriate, EPA's review will be followed by a rulemaking process that will be transparent, follow proper administrative procedures, include appropriate engagement with the public, employ sound science, and be firmly grounded in the law." "Review of the Clean Power Plan," 82 Fed. Reg. 16,329, 16,329 (Apr. 4, 2017).

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4. Based on these significant developments, EPA filed a motion on March 28, 2017, to hold these cases in abeyance pending completion of EPA's review and any resulting forthcoming rulemaking. ECF No. 1668274. By order dated April 28, 2017, this Court held the cases in abeyance for 60 days and directed EPA to file status reports at 30-day intervals from the date of the order. Id. The Court further directed the parties to file supplemental briefs by May 15, 2017, addressing "whether these consolidated cases should be remanded to the agency rather than held in abeyance." ECF No. 1673071. EPA timely submitted its supplemental brief and advocated continuing to hold these cases in abeyance for the reasons explained therein. ECF No. 1675243. By order dated August 8, 2017, the Court held the cases in abeyance for an additional 60 days and directed EPA to continue to file status reports at 30-day intervals. ECF No. 1687838. On November 9, 2017, the Court issued a further order holding the cases in abeyance for an additional 60 days and directing EPA to continue to file status reports at 30-day intervals, beginning 30 days from the date of that order. ECF No. 1703889. On March 1, 2018, the Court again issued an order holding the cases in abeyance for 60 days and directing EPA to continue to file status reports at 30-day intervals. ECF No. 1720228.

5. On October 10, 2017 the Administrator signed a Federal Register notice proposing to repeal the Clean Power Plan on the grounds that it exceeds EPA's statutory authority under a proposed change in the Agency's interpretation of section 111 of the Clean Air Act, 42 U.S.C. § 7411. The proposed rule was published in the

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Federal Register on October 16, 2017, 82 Fed. Reg. 48,035. Following publication of the proposed rule, EPA held two days of public hearings (on November 28 and 29, 2017) and held three listening sessions to provide the public with additional opportunities to provide oral testimony on the proposed rule (on February 21, 2018 in Kansas City, Missouri; on February 28, 2018 in San Francisco; and on March 27, 2018 in Gillette, Wyoming). The period for public comment closed on April 26, 2018. EPA is currently reviewing the comments submitted and considering what further action to take on this proposal.

6. EPA is further considering the scope of any potential new rule under section 111(d) of the Clean Air Act to regulate greenhouse gas emissions from existing electric utility generating units. On December 18, 2017, the Administrator signed an Advance Notice of Proposed Rulemaking ("ANPR") soliciting information on systems of emission reduction that are in accord with the legal interpretation that has been proposed by EPA. The ANPR was published in the Federal Register on December 28, 2017. 82 Fed. Reg. 61,507. The comment period for the ANPR closed on February 26, 2018. EPA is currently reviewing the comments submitted, and preparing a proposed rule package that will be published in the Federal Register for public comment.

7. For the reasons set forth in EPA's March 28, 2017 Motion to Hold Cases in Abeyance (ECF No. 1668274) and May 15, 2017 Supplemental Brief in

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Support of Abeyance (ECF No. 1675243), these cases should remain in abeyance

pending the conclusion of rulemaking.

Respectfully submitted,

ERIC GRANT Deputy Assistant Attorney General

DATED: June 1, 2018

BY: <u>/s/ Eric G. Hostetler</u> ERIC G. HOSTETLER NORMAN L. RAVE, JR. BRIAN H. LYNK AMANDA SHAFER BERMAN CHLOE H. KOLMAN U.S. Department of Justice Environmental Defense Section P.O. Box 7611 Washington, D.C. 20044 Phone: (202) 305-2326 Email: eric.hostetler@usdoj.gov

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing Status Report have been served through the Court's CM/ECF system on all registered counsel this 1st day of June, 2018.

> <u>/s/ Eric G. Hostetler</u> Counsel for Respondent