

December 30, 2010

Lisa P. Jackson, Administrator  
U.S. Environmental Protection Agency  
Mail Code 6102 T  
1200 Pennsylvania Avenue, NW  
Washington, DC 20460

Dear Administrator Jackson:

As a bi-partisan group of state environmental agency heads charged with carrying out our statutory obligation to protect the health and welfare of Americans, we write to express our appreciation for EPA's December 23, 2010 announcement of settlement agreements under which EPA will develop performance standards limiting greenhouse gas (GHG) pollution from fossil fuel power plants and petroleum refineries. The agreements result from court cases involving many of our states as petitioning parties (*State of New York, et al. v. EPA, No. 06-1322; American Petroleum Institute, et al. v. EPA, No. 08-1277*). We believe that GHG performance standards are required by section 111 of the Clean Air Act (CAA), and will be a critical tool to protect the health and safety of all Americans from the clear and present danger of climate change.

As you develop the GHG standards highlighted in your announcement, we urge you to work closely with the states to create a regulatory framework for new and existing sources under section 111 of the CAA. Consistent with the state-federal partnership envisioned throughout the Act, states can continue to develop locally- and regionally-appropriate solutions that help us reach our national goals faster, cheaper, and with greater benefits to local economies and communities.

The success of the Act in achieving dramatic reductions in conventional pollutants in an extremely cost-effective manner demonstrates the merit of the cooperative federalism approach envisioned by Congress and embodied in the CAA, whereby EPA sets protective standards and states design and implement programs to meet those standards. The same kind of state-federal partnership is contained within section 111 of the Act.

In developing guidelines for such state regulation of emissions from existing sources under section 111, EPA should provide appropriate flexibility to the states to meet the emission reduction goals of the Act. In particular, EPA should allow states to utilize the sophisticated and extensive programs in our states that reduce global warming pollution and accelerate the clean energy technologies of tomorrow. Providing states with flexibility to utilize these programs, while achieving greater environmental stringency, will enable EPA and the states to achieve maximum emission reductions in a cost-effective manner, provide industry with the regulatory certainty to continue their job-creating investments in clean energy and production, and maintain the engine of innovation that it is at the heart of the success of the American model.

We commend you for EPA's measured and reasonable development of GHG regulations under the CAA to date. EPA has used the authority given to it by Congress to

develop programs that will promote energy conservation and the development of clean energy, creating thousands of jobs across the United States. Likewise, our states have taken bold action to combat the unacceptable and avoidable threat posed by climate change, secure in the knowledge that well-designed climate policies provide diverse societal benefits ranging from economic development and job creation to energy security and better air quality. EPA and the states can leverage these successful efforts to build a federal-state partnership that achieves maximum emission reductions in a cost-effective, efficient and non-duplicative manner.

We look forward to continuing to work with EPA to achieve robust and effective GHG performance standards for power plants, refineries, and other appropriate emission sectors. Thank you for your leadership on this critical issue.

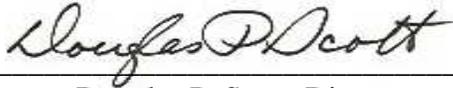
Respectfully,



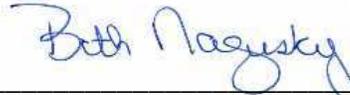
Mary D. Nichols, Chair  
California Air Resources Board



Amey Marrella, Commissioner  
Connecticut Department of Environmental Protection



Douglas P. Scott, Director  
Illinois Environmental Protection Agency



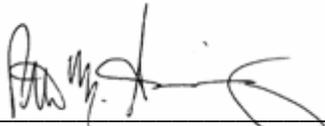
Beth Nagusky, Acting Commissioner  
Maine Department of Environmental Protection



Robert M. Summers, Acting Secretary  
Maryland Department of the Environment



Laurie Burt, Commissioner  
Massachusetts Department of Environmental Protection



Peter Iwanowicz, Acting Commissioner  
New York Department of Environmental Conservation



Justin G. Johnson, Commissioner  
Vermont Department of Environmental Conservation



Ted Sturdevant, Director  
Washington State Department of Ecology