

# New EPA Rule Requires Future Carbon Capture on Existing Coal-Fired Power Plants or Shut Down by January 1, 2032



## ARTICLE 04.30.24 BILL KOHM

On April 25, 2024, the Environmental Protection Agency (EPA) issued a final rule that requires the capturing of future smokestack emissions on existing coal plants or shut down by January 1, 2032. The rule places **existing** coal plants into three categories:

- No impact on plants set to retire by January 1, 2032
- Some capture of emissions (to be defined and met by January 1, 2030) for plants set to retire by January 1, 2039
- Plants planning to stay open beyond January 1, 2039 will need to capture 90% of carbon dioxide emissions by January 1, 2032 (applies to new natural gas-fired plants too)

The rule puts the onus on the development of carbon capture and storage technology. Significant capital expenditures are expected to comply with carbon capture technology.

The rule excluded existing natural gas plants but future rules are expected to address the reduction of emissions from existing natural gas plants.

The rule also notes for existing coal units, states can provide a variance for individual sources based on consideration of remaining useful life and other factors.

Over the next five years, this rule may have a financial statement impact on coal companies that sell coal to utilities. Impacts include going concern assessments, asset impairment calculations, and useful lives used on long-term assets. Coal Companies will also need to explore international outlets that don't have as stringent regulations for coal that may extend the life of the mining operations. Additionally, this may accelerate exit strategies for coal owners which may provide opportunities for alternative use of the coal properties including solar farms.

Source: [The Associated Press \(Michael Phillis\) and EPA](#)