OFFICE OF

No. SB 676

THE GOVERNOR
STATE OF OKLAHOMA

OKLAHOMA CITY, OKLA., May 1, 20 15

TIME SIGNED: 12:20pm

TO THE HONORABLE PRESIDENT PRO TEMPORE
AND MEMBERS OF THE OKLAHOMA SENATE
FIRST SESSION OF THE
FIFTY FIFTH OKLAHOMA LEGISLATURE

ENROLLED SENATE BILL NO. 676:

This is to advise you that on this date, pursuant to the authority vested in me by Section 11 of Article VI of the Oklahoma Constitution to approve or object to legislation presented to me, I have VETOED Senate Bill 676.

Last year, the Environmental Protection Agency proposed regulations that called for new carbon standards for existing power plants. The EPA's proposed rules set forth a national 30 percent reduction in carbon dioxide emissions from 2005 levels at existing power plants by 2030. On December 1, 2014 last year, I directed the Oklahoma Secretary of Energy and Environment to submit comments on behalf of Oklahoma opposing the proposed rules. His comments specifically stated that "the proposed rule introduces unworkable barriers" and asked that the proposed rule "be withdrawn." Unfortunately, it appears that the rules may be finalized later this year. It is in anticipation of these final rules that SB 676 was passed.

BY THE GOVERNOR OF THE STATE OF OKLAHOMA

RECEIVED
MAY 01 2015
OKLAHOMA SECRETARY OF STATE

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I join the majority of Oklahoma legislators, the Attorney General, and many Oklahoma citizens in believing that the EPA is overreaching its authority and doing so in a way that could have disastrous consequences for families and businesses. The EPA's proposed rules will likely ensure any decisions about Oklahoma's energy future will ultimately be held in the hands of federal bureaucrats – not in the hands of the citizens of Oklahoma. Attorneys generals from across the country, including Oklahoma's Attorney General, have warned of the probable illegal nature of the EPA's interpretation of the Clean Air Act — the purported legal authority for the EPA's proposed rule. Legal challenges are a certainty.

Besides the legal implications of a federal power grab, the EPA's rules are almost certain to have extremely negative consequences regarding both the national economy and Oklahoma's economy. Experts indicate that utility costs could rise nationally by anywhere from fifteen to thirty-five percent if the EPA's rules are implemented. A dramatic rise in utility costs would destroy jobs, hurt businesses and represent a grave financial burden to families.

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It is therefore the position of my office that the state of Oklahoma should oppose implementation of the proposed EPA rules and resist the EPA's invitation to collaborate on a State Implementation Plan (SIP) with the federal government. To codify that position and provide clarity, I have issued EO 2015-22.

It clearly states the state of Oklahoma will not develop a SIP with the EPA. Furthermore, the Executive Order asks the Oklahoma Attorney General to "take such action as is necessary to enforce the rights of the State of Oklahoma and its citizens from such federal actions as may impact the freedoms of its people."

I believe SB 676 is intended by the Legislature to fully support the stated positions of both this office and the Attorney General. The purpose of the bill, as stated by the Legislature, is to prevent the implementation of any SIP that is deemed to violate the constitutional rights of the people of Oklahoma.

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However, rather than simply prohibiting the development of such a SIP, as I have done through executive order, SB 676 inadvertently requires the State of Oklahoma and its energy and environmental partners to develop a SIP that would then be subject to the constitutional scrutiny of the Attorney General. Section 2 of the Bill specifically states "[t]he Department of Environmental Quality **shall develop** a proposed state compliance plan with input from the Public Utility Division of the Corporation Commission." The development of such a state plan involves dozens of state and private entities and thousands of hours of study and negotiations. It is a massive undertaking and requires the commitment of untold amounts of financial and time resources. It is also an unnecessary one, given that the Legislature, Attorney General and I are in agreement that the state should, in fact, not implement a SIP. While I applaud the willingness of the legislative bodies to join the Executive branch in a statement of solidarity in opposition to EPA overreach, I believe our policy goals have already been accomplished via executive order without the additional expenditure of taxpayer resources required by this bill. I hereby veto SB 676.

BY THE GOVERNOR OF THE STATE OF OKLAHOMA

Mary Fallin

By Becky Welch

Date/Time 5-1-15 2:20pm