

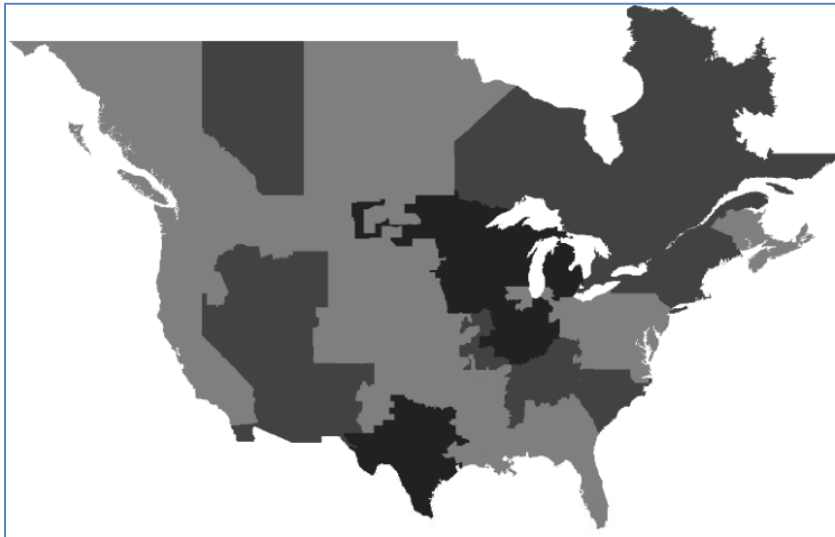
OTC Committee Comments

Eugene M. Trisko

On behalf of ACCCE

September 24, 2014

1. Thank you. I am Gene Trisko, and am here on behalf of ACCCE and as Chair of the Midwest Ozone Group Government Relations & Communications Committee. ACCCE has commented previously on the draft Large Contributor Analysis. We remain concerned about the impact of the proposed NOx emission limits and SCR retrofits on the viability of the remaining coal fleet.
2. DOE data show that some 50 GW of coal capacity will be retired between 2010 and 2020; most of the retirements coincide with compliance with the MATS rule in 2015-2016.
3. EPA projects 30 to 49 GW of additional coal plant retirements by 2020 under the carbon rule.
4. We are rapidly approaching a reliability problem in many areas of the East. The recent NERC Long Term Reliability Assessment, which we will supply as a comment, shows that major portions of the East, South Atlantic, and Southwest will be below reserve planning margins by 2023 – and this is without consideration of the additional retirements due to the EPA carbon rule. NERC’s assessment was released in December 2013, before the carbon rule was proposed.



Anticipated Margins Below Reference Level in 2018	Black square
Anticipated Margins Below Reference Level in 2023	Dark gray square
Anticipated Margin Exceeds Reference Level	Light gray square

5. We also are concerned about the potential impacts of a revised ozone standard, scheduled to be finalized by December 2015. The recent NERA/NAM analysis assessing a 60 ppb standard projects up to 100 GW of additional coal plant retirements because it would not be economic to

retrofit the plants with SCRs. This is consistent with the concerns we have raised about the LCA draft control paper. There are obvious additional reliability issues posed by this level of additional retirements.

6. We continue to support the ongoing state collaborative process for addressing issues related to the operation of controls that are now in place. The Midwest Ozone Group has engaged Alpine Geophysics to assess the downwind ozone impacts related to the operation of controls, and we expect to have results soon.
7. Meanwhile, we are pleased that ozone design values in the East continue to decrease as a result of the control programs already in place for all source categories, and look forward to further improvements as the Tier 3 fuel standards are implemented for vehicles on the road.