



March 18, 2019

Via Electronic Filing

U. S. EPA Docket Center (EPA/DC)
U.S. Environmental Protection Agency
Mail Code: 28221T
1200 Pennsylvania Avenue, NW
Washington, DC 20460

Attn: DOCKET ID No. EPA-HQ-OAR-2013-0495

Re: Proposed Rule
Review of Standards of Performance for Greenhouse Gas Emissions From New, Modified, and Reconstructed Stationary Sources: Electric Utility Generating Units, 83 Fed. Reg. 65424 (December 20, 2018)

Dear Administrator Wheeler and Staff:

In response to the above-referenced docket, American Municipal Power, Inc. (AMP) and the Ohio Municipal Electric Association (OMEA) hereby provide the following comments for the record. We are supportive of U.S. EPA’s (EPA) review of this standard and several of the proposed amendments, including the reevaluation of what constitutes the Best System of Emission Reduction (BSER) for new and modified electric generating units (EGUs).

Background on AMP/OMEA

AMP is a non-profit wholesale power supplier and service provider for 135 members, including 134-member municipal electric systems in the states of Ohio, Pennsylvania, Michigan, Virginia, Kentucky, West Virginia, Indiana, and Maryland and the Delaware Municipal Electric Corporation, a joint action agency with nine members headquartered in Smyrna, Delaware. AMP’s members collectively serve more than 650,000 residential, commercial, and industrial customers and have a system peak of more than 3,400 megawatts (MW). AMP’s core mission is to be public power’s leader in wholesale energy supply and value-added member services. AMP offers its members the benefits of scale and expertise in providing and managing energy services.

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MARYLAND BERLIN **MICHIGAN** CLINTON • COLDWATER • HILLSDALE • MARSHALL • UNION CITY • WYANDOTTE **OHIO** AMHERST • ARCADIA • ARCANUM • BEACH CITY • BLANCHESTER
BLOOMDALE • BOWLING GREEN • BRADNER • BREWSTER • BRYAN • CAREY • CELINA • CLEVELAND • CLYDE • COLUMBIANA • COLUMBUS • CUSTAR • CUYAHOGA FALLS • CYGNET • DELTA
DESHLER • DOVER • EDGERTON • ELDORADO • ELMORE • CALION • CENOA • CFORGETOWN • CLOUSTER • CRAFTON • GREENWICH • HAMILTON • HASKINS • HOLIDAY CITY • HUBBARD
HUDSON • HURON • JACKSON • JACKSON CENTER • LAKEVIEW • LEBANON • LODI • LUCAS • MARSHALLVILLE • MENDON • MILAN • MINISTER • MONROEVILLE • MONTEPELLIER • NAPOLEON
NEW BREMEN • NEW KNOXVILLE • NEWTON FALLS • NILES • OAK HARBOR • OBERLIN • OHIO CITY • ORRVILLE • PAINESVILLE • PEMBERVILLE • PIONEER • PIQUA • PLYMOUTH • PROSPECT
REPUBLIC • SEVILLE • SHELBY • SUILOH • SOUTH VIENNA • ST. CLAIRSVILLE • ST. MARYS • SYCAMORE • TIPP CITY • TOLEDO • TONTOGANY • VERSAILLES • WADSWORTH • WAPAKONETA
WAYNESFIELD • WELLINGTON • WESTERVILLE • WILARTON • WOODSFIELD • WOODVILLE • YELLOW SPRINGS **PENNSYLVANIA** BERLIN • BLAKELY • CATAWISSA • DUNCANNON
EAST CONEMAUGH • FILWOOD CITY • EPHRATA • GIRARD • GOLDSBORO • GROVE CITY • HATFIELD • HOOVERSVILLE • KUTZTOWN • LANSDALE • LEHIGHTON • LEWISBERRY • MIFFLINBURG
NEW WILMINGTON • PERKASIE • QUAKERTOWN • ROYALTON • SAINT CLAIR • SCHUYLKILL HAVEN • SWEITHPORT • SUMMERHILL • WAMPUM • WATSONTOWN • WEATHERLY • ZELIENOPLE
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AMP's diverse energy portfolio makes the organization a progressive leader in the deployment and procurement of renewable and advanced power assets that includes a variety of base load, intermediate and distributed peaking generation. AMP and its members own or have long term contracts for approximately 1,900 megawatts (MW) of generation and AMP members have diverse resource portfolios that include coal, natural gas, hydro, solar, wind, landfill gas, diesel and wholesale market purchases. AMP's renewable resources made up approximately 21 percent of its members' energy needs in 2017. In Ohio, AMP owns or operates on behalf of members, the 707 MW (fired) natural gas combined cycle AMP Fremont Energy Center in Fremont, along with 51 diesel-fired generators and 9 single cycle natural gas-fired turbines used for peak shaving at multiple sites. This rule has a direct impact on AMP and AMP member generating assets and we appreciate the opportunity to provide comments on this proposed action.

The OMEA represents the Ohio and federal legislative interests of AMP and member Ohio municipal electric systems. Subsequent "AMP" references herein also represent the interests and comments of OMEA.

AMP/OMEA Comments

AMP concurs with the reasoning and conclusion described in EPA's proposed amendment that the prior BSER determination is unjustified given the costs and geographically limited capacity for geological sequestration. We also appreciate EPA's effort in determining BSER as the most efficient demonstrated steam cycle, which complements the suite of available efficiency improvements for existing EGUs in the recently proposed Affordable Clean Energy (ACE) rule. In our view, EPA rightly focuses its efforts on reasonable, achievable efficiency improvements for new, modified, and reconstructed fossil fuel-fired EGUs.

Because of the multi-state nature of AMP's membership and power supply portfolio, along with the various types of electricity markets where we operate, the proposed amendments to this standard could have real impacts on not only our member communities but on their residential, commercial, and industrial customers.

EPA correctly determined this amendment should not include changes to requirements for new and reconstructed stationary combustion turbines. (C-52, C-55, C-56, C-57, and C-58)

AMP supports EPA's considered decision not to include changes to requirements for new and reconstructed stationary turbines in this proposed amendment. That said, EPA has included several extensive requests for comments specific to stationary combustion turbines. Clearly, EPA does not have sufficient information available at this time to make a reasoned judgement as to what changes (if any) to the stationary combustion turbine standards are necessary. If EPA determines changes to the standards for stationary combustion turbines are necessary, we believe a separate rulemaking is the appropriate vehicle to accomplish such changes.

Partial CCS is not BSER for new, modified, or reconstructed EGUs. (C-11 and C-13)

AMP agrees with EPA that partial CCS cannot constitute BSER due to costs and geographically limited capacity for geological sequestration. We recognize, and agree with EPA (and the courts), that Congress intended Clean Air Act (CAA) Section 111 to be technology-forcing, and to create incentives for new technology. We do not believe this extends to the

promulgation of emission standards that condition facility construction or operation on control technologies that have not been adequately demonstrated in the industry.

We support the comments of the American Public Power Association (APPA) and Prairie State Generating Campus (PSGC) in this regard.

Efficient generation technology meets the CAA definition of BSER. (C-16, C-17, and C-18)

AMP believes that EPA has reasonably selected BSER as the “most efficient generating technology in combination with best operating practices” for new and reconstructed EGUs and “best demonstrated performance” for modified EGUs. These standards are appropriately justified in the proposed rule, and AMP joins with APPA and PSGC in support of this change.

Separate emissions standards for part load operation are necessary. (C-31 and C-32)

AMP maintains that EPA has correctly identified the need for standards that can accommodate part load operations. Third-party system operators control dispatch and generation in many cases, and any standard for EGUs will therefore need to consider part load operation. This circumstance is not limited to those affected sources in this proposed rule. Along with APPA and PSGC, AMP encourages EPA to implement reasonable standards that account for part load operation.

Comparison with nuclear energy projects is not appropriate. (C-6, C-7, and C-8)

AMP joins with PSGC in urging EPA to abandon comparisons of new coal and nuclear energy projects. We recognize the importance of evaluating the levelized cost of electricity (LCOE) and consideration of fuel diversity as critical factors in the construction of new EGUs, but such important factors lie beyond the statutory mandate of the CAA. AMP believes EPA should be mindful of the boundaries Congress established for determining BSER and emissions standards.

Commercial demonstration technology permits encourage innovation and investment. (C-40 and C-41)

AMP and PSGC agree that EPA should include a commercial demonstration permit provision in the amended rule. This furthers one purpose of CAA Section 111, namely to encourage technological innovation. Such a permit program would provide owners and operators of affected EGUs with some regulatory flexibility, and allow them to invest in new and emerging technologies without assuming additional compliance risks. AMP encourages EPA to set qualifying criteria for eligible technologies, rather than provide a list of technologies that does not account for future developments and innovation.

We thank EPA for this opportunity to provide input to the agency on these important matters. Please let us know if you need any additional information.

Respectfully submitted,

A handwritten signature in black ink that reads "Jolene M. Thompson". The signature is written in a cursive style with a long horizontal flourish at the end.

Jolene M. Thompson
AMP Executive Vice President
& OMEA Executive Director
jthompson@amppartners.org
614.540.1111