



Arkansas Electric Cooperative Corporation

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October 6, 2011

Administrator Lisa Jackson
USEPA Headquarters
Ariel Rios Building
1200 Pennsylvania Avenue, N.W.
Mail Code: 1101A
Washington, DC 20460

RE: Request for Reconsideration of Cross-State Air Pollution Rule
Docket ID No. EPA-HQ-OAR-2009-0491

Dear Administrator Jackson:

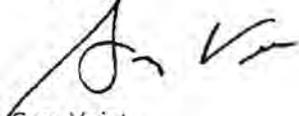
Arkansas Electric Cooperative Corporation ("AECC") requests that the United States Environmental Protection Agency ("EPA") reconsider the compliance deadline of the Cross-State Air Pollution Rule ("CSAPR"). Specifically, AECC requests that the deadline be delayed by two years so that AECC has appropriate time to develop a compliance plan with the final rule that was issued.

AECC believes a reconsideration of the compliance deadline should be granted based on the following reasons:

- **Stakeholders in Arkansas were never allowed the opportunity to comment on CSAPR's true impact.** Under the proposed rule, Arkansas was to be granted 16,660 seasonal NO_x emission allowances annually – or enough to cover the ozone season NO_x emissions from EGUs in Arkansas in years 2008 and 2009. Under the final rule Arkansas will be granted 15,037 allowances annually – a 10% reduction from the proposed to final rule. Between the proposed rule and the final rule, Arkansas went from a state with a slight allowance surplus to a state with a significant allowance deficit. By not issuing the revised allowance allocations for public comment before issuing a final rule, EPA effectively denied Arkansas the opportunity to comment on the full impact of the rule.
- **The existing compliance deadline is too short.** CSAPR was signed as final on July 7, 2012 and published in the Federal Register on August 8, 2012. Electric generating units in Arkansas are subject to the seasonal NO_x trading program of CSAPR. Compliance for that program begins May 1, 2012 – less than ten months after the final rule was signed. This is simply not enough time for AECC to develop a reasonable compliance strategy for CSAPR. This is especially true if additional emission allowances are not available for purchase as many in the industry expect. Instead, AECC believes its best long-term compliance option is to install additional controls on several of its units. However, this cannot be done in time to meet a May 1, 2012 compliance

date. As a result AECC will be forced into options for 2012 and 2013 that are needlessly much more expensive. The most likely option – temporary fuel switching – will cost AECC an estimated \$22 million to \$30 million in 2012 alone. This is a cost which, if given ample time, could have instead been used to install controls with long-term benefits.

Sincerely,

A handwritten signature in black ink, appearing to read 'G. Voigt', written over a horizontal line.

Gary Voigt
President & CEO

xc: Arkansas Attorney General Dustin McDaniel
Commissioner Collette Honorable, Arkansas Public Service Commission
Director Teresa Marks, Arkansas Department of Environmental Quality
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