



## PSNH says data for permit faulty

**Stephen Perkins** to: David Webster, John King, Sharon DeMeo, Mark Stein

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Cc: Damien Houlihan

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From: Stephen Perkins/R1/USEPA/US  
To: David Webster/R1/USEPA/US@EPA, John King/R1/USEPA/US@EPA, Sharon DeMeo/R1/USEPA/US@EPA, Mark Stein/R1/USEPA/US@EPA  
Cc: Damien Houlihan/R1/USEPA/US@EPA

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**News Headline:** PSNH says data for permit faulty |  

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Regulators relied on faulty logic when writing the Merrimack Station's draft permit, Public Service of New Hampshire claimed Wednesday, saying the costly mandates are based on archaic data. The company's response, submitted Tuesday, suggests a lengthy battle over the already delayed permit.

The Bow power plant's permit – issued last September, more than 14 years after the current permit expired – calls for the installation of a \$112 million closed-cycle cooling system. EPA officials have said the system would replace one decades old, which they think is fundamentally changing the aquatic life in the surrounding Hooksett Pool by heating the water and crushing wildlife.

According to company officials, the EPA compared the pool's current fish population to the habitat in the same spot 40 years ago, when the Merrimack River was polluted and inhabited by fish tolerant of that environment. A more accurate comparison, PSNH said, would have been other areas on the river such as the Garvin Falls Dam a few miles upstream.

PSNH's environmental consultants said the fish habitat there is strikingly similar to the Hooksett Pool's, a fact PSNH spokesman Mike Skelton said proves the temperature of the plant's water discharge is not affecting nearby wildlife.

“To us that would have been a logical baseline. But instead the EPA, it appears, cherry picked this data from 40 years ago, and the ramifications of that are extremely significant,” Skelton said. “It calls into question everything in the draft permit.”

The EPA's assertion that the plant has altered the surrounding habitat is at the core of why the permit does not continue a thermal discharge variance PSNH has operated with for more than 20 years. Over the last decade, the company has repeatedly requested the variance be continued.

Beyond taking issue with the environmental basis for the EPA's permit, PSNH also questioned its financial ramifications. Skelton said the EPA's \$112 million quote is too low because it is conceptual and doesn't take into account a specific design for

the Merrimack Station.

Skelton said the entire cost, which he thinks could be significantly, would be paid for by customers.

In turn, ratepayers would only see \$1 of environmental benefit for every \$1,000 spent on the improvements, according to PSNH. Skelton said most EPA mandates follow a ratio of \$1 of benefit to \$4.50 in cost. PSNH also said the EPA did not complete a cost-benefit analysis, a mandated step of the permitting process, before issuing the draft.

"After taking more than 14 years to act on our renewal application, it is unconscionable for the federal government to complain that the necessary cost-benefit studies are too 'time-consuming' and 'expensive' to prepare," Gary Long, the company's president and CEO, said in a release.

Even if PSNH were to install the new system, the company believes the technology is not sufficient to reach the EPA's limits. Skelton said the Duke Energy plants in North Carolina, where the EPA has mandated a similar system, do not meet discharge limits proposed for the Merrimack Station.

The company's response also takes issue with the EPA's timing, as the agency is poised to set new national regulations for part of the Clean Water Act in July.

"By not waiting for the new standards and instead relying on their sole discretion to draft this permit, the EPA's conclusions are arbitrary and put New Hampshire citizens at risk to bear costs that may not be required anywhere else in the country," Long said in the release.

Since the permit was issued, environmental groups like the Sierra Club have championed it as a major victory while others, including New Hampshire House Speaker Bill O'Brien, called it a burden on the state's economy.

John Paul King, an EPA environmental scientist, said yesterday the agency has received numerous responses to the permit, including over 1,600 pages within the comment period's last 24 hours. Because of the volume of responses, King was not able to address specific questions, but said the EPA is confident in the data and process it used to draft the permit.

Still, he said the agency is open to reviewing each response and making changes as necessary.

"We are required to keep an open mind, which we will," King said. "We are looking forward to looking at the comments concerning the draft permit and our thought process in the conclusions we came up to, to see why people are taking exception to them."

King said this permit has received significant national attention in part because it is the first time the EPA has proposed technology-based wastewater limits at a facility with a flue-gas desulfurization system like the new scrubber at the Bow plant.

In many permitting processes, review of the public comments takes more than a year, according to King. After the comments are reviewed, the EPA could either

make changes and issue the final permit or decide that the permit required substantial revisions that warrant another public comment period.

King said he expects the final permit to be appealed, which would start another lengthy process.

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PSNH responds to EPA draft permit

Wednesday, February 29, 2012

BOW, N.H. (AP) - Public Service Company of New Hampshire says the federal government's attempt to require the installation of a new wastewater cooling system at a coal-fired power plant in Bow is both arbitrary and deeply flawed.

The Merrimack Station plant draws 287 million gallons of water a day from the Merrimack River and returns it at higher temperatures. In September, the Environmental Protection Agency issued a draft permit saying a new \$112 million cooling system is vital to protecting fish, but the company argues the EPA is relying on information from 40 years ago, when the river was heavily polluted. That isn't the case today.

In a response filed Tuesday, PSNH also argues that the new cooling system would amount to paying \$1,000 for every \$1 of environmental benefit.