**MEMORANDUM**

**Date:**  11/21/14

**From:** Ken Mitchell/EPA Region 4

**To:** Clean Power Plan for Existing Power Plants; Docket Id: OAR–2013-0602

**Subject:** Discussion of the Clean Power Plan with Mississippi Department of Environmental Quality

**Summary:**

Region 4 provided information on the Clean Power Plan to the Mississippi Department of

Environmental Quality on August 6, 2014. The Clean Power Plan for Existing Power Plants was

proposed on June 2, 2014.

**Attendees:**

 **EPA**

Beverly Banister/EPA R4

Ken Mitchell/EPA R4

Carol Kemker/EPA R4

Gregg Worley/EPA R4

Lora Strine/EPA OAQPS

Kevin Culligan/EPA OAQPS

Erich Eshmann/EPA OAP

Denise Mullholand/EPA OAP

Beth Conlin/EPA OAP

**External Stakeholders**

Maya Rao/MS DEQ

Elliott Bickerstaff/MS DEQ

Chad LaFontaine/MS DEQ

**ATTACHMENT**

**Advance Questions for Discussion of the Clean Power Plan with Mississippi Department of**

**Environmental Quality on 8/6/14**

1. Would like EPA to walk us through the calculations of getting the 1140 lbs CO2/MWH (2012) as well as the building blocks that take us to the MS goal of 692 lbs CO2/MWh.

Also, we understand that EPA has had some model runs to meet the state goals. We would like to see the output files in an understandable format and be walked through the modeled compliance scenario.

1. Why did EPA choose the average of 10 year timeline, instead of a goal at 2030. It is impossible to put a thoughtful cost effective plan and get huge reductions in early 2020. . Adding renewables/nuclear to the energy mix would take time . Also there are existing fuel contracts, several investments into complying with MATs, etc. A longer time frame would reduce these stranded costs. We believe, the intermediate goals are artificial deadlines, with no advantage to achieving meaningful GHG reductions.
2. We would like to see the calculations on a mass basis also and what the numbers look like for MS in 2005, 2012, 2020 and 2030. Can the region provide this?
3. Due to the extremely narrow timeframe provided, we feel it necessary to try and develop a feasible and achievable plan forward for MS. In order to do so, the first item would be a re-evaluation of the goal established for MS. It is not possible for us to build a plan, when the goal is not realistic. MS has zero flexibility. We have to meet all the four building Blocks, in fact the first block is eliminated for MS, because all our capacity has to be switched from coal to NGCC. Do you see this a realistic path forward.
4. EPA should not use a single year’s power generation to set a base for establishing the goal. Especially the year 2012 had unique circumstances for MS. We need to evaluate a different timeframe.
5. EPA has taken credit for CO2 emission reductions since 2005. However, states only get credit for reductions after 2012. The States who were proactive, did not get any credit for activities done from 2005 to 2012. In fact MS rates went from about 1800 to 1200 lbs of CO2/MWH from 2005 to 2012.
6. Questions about Nuclear Generation. – How would we get credit for an uprate done in 2012 to meet the proposed goal? Can we get credit fornew generation were added in the future?
7. For some states like MS, the 111(d) standard is way more stringent than 111(b). EPA should not make it, more stringent that 111(b).
8. The Renewables energy calculations are confusing. In our goal, EPA expects an increase of 262% from 1.5 Million MWH to 5.5 Million MWH. In the alternative RE calculations our technical potential it is about2.5 Million MWH which is significantly less than that in the proposal. Also has EPA considered a cost/ton of CO2 reduction for different states. For ex, for MS, the Solar capacity factor is about 20%. For western states , the capacity factor may be much higher which would make solar more expensive and less feasible than in those states. Is that taken into account in setting the RE goals.
9. Energy Efficiency – The verification methods for credits due to implementing EE measure toward a rate basis goal could be extremely laborious and draining on state resources if included under a mandated 111(d) SIP. What guidance/resources is EPA willing to provide in EE plan development and compliance monitoring?
10. All the goals are based on an annual average. During periods of extreme cold/hot weather, units operate at a much higher capacity. This model would give us serious concerns over reliability issues at these times. During the ECOS STEPs meeting, FERC was very hesitant about the reliability, because they said that they had not looked at the 50 State Plans.
11. Lastly we do not believe the proposal fits within the constraints of 111d based on the fact that the four building block approach is not BSER for fossil fired EGUs. We believe incorporating elements of power generation and power usage to establish emission guidelines are beyond the scope of what should be expected in a 111(d) state plan.
12. This rule is extremely complicated, resource intensive and not legally defensible. It seems like a waste of resources if the courts overturn or remand the final rule. Will EPA consider increasing the timelines for compliance so that we can prepare better and plan the resources accordingly.
13. If states are not able to do timely SIPs, what would a FIP look like?