



**ARIZONA
ROCK
PRODUCTS
ASSOCIATION**



The Honorable Lisa P. Jackson
Administrator, U.S. Environmental Protection Agency Ariel Rios Building
1200 Pennsylvania Avenue, N.W.
Washington, D.C. 20460

Thomas Webb
EPA Region 9, Air
Division (AIR-2)
75 Hawthorne Street
San Francisco, California 94105

Re: EPA Docket No. EPA-R09-OAR-2012-0021– Approval, Disapproval and Promulgation of Air Quality Implementation Plans; Arizona; Regional Haze State and Federal Implementation Plans; Proposed Rule

Dear Administrator Jackson and Mr. Webb:

The Arizona Rock Products Association (ARPA) respectfully submits the following comments on the U.S. Environmental Protection Agency's (EPA) proposed rule entitled "Approval, Disapproval and Promulgation of Air Quality Implementation Plans; Arizona; Regional Haze State and Federal Implementation Plans," published on July 20, 2012 (77 Federal Register 42833) as EPA Docket No. EPA-R09-OAR-2012-0021 (Proposed EPA Rule). Pursuant to EPA's notice published on July 31, 2012 (77 Federal Register 45326), the comment period on the Proposed EPA Rule has been extended to September 18, 2012.

ARPA urges EPA to substantially reconsider the Proposed EPA Rule, which proposes to disapprove major aspects of Arizona's Regional Haze State Implementation Plan (SIP) especially as it relates to (1) nitrogen oxide emission limits and associated Best Available Retrofit Technology (BART) requirements and (2) the imposition of a Federal Implementation Plan (FIP) for three electric generating facilities in Arizona. The FIP would impose a plan that lacks a rational basis and would unnecessarily cost Arizonans hundreds of millions of dollars more than the SIP developed by the State of Arizona. The Arizona SIP represents a rational and

lawful exercise of the State's authority and discretion under the federal Clean Air Act. Most remarkably, EPA's proposal would result in achieving an imperceptible improvement in visibility over the State's far less-expensive plan. Simply put – EPA must respect Arizona's authority to implement the Regional Haze program. We respectfully urge EPA to withdraw its FIP and move expeditiously to approve Arizona's SIP.

A. Responsible Mining Plays a Significant Role In Arizona

ARPA is a mining association of approximately 100 members including both individuals and organizations engaged in the exploration and production of non-metallic minerals and industrial minerals throughout the State of Arizona. ARPA's members produce goods and services that directly benefit the Arizona and national economies. Additionally, ARPA's members include suppliers of coal ash and fly ash to concrete producers in Arizona which is one of the best recycling efforts anywhere. The impact of EPA's proposal would have a devastating impact on that success story. ARPA's members are amongst some of the largest electricity consumers in the State.

In 2010, Arizona produced more than seven million tons of coal (See Attachment A, U.S. Department of Energy/Energy Information Administration, Annual Coal Report 2010, Table 6.). Coal is a fundamental part of Arizona's generation of base load electricity. Arizona generates 40% of its electricity from coal and has prices that are 30% below California, which generates less than 1% of its electricity from coal. Coal powered electricity generation provides reliable and continuous energy to Arizona and the southwestern United States at an affordable cost. Further, it is coal powered electricity generation that is essential for the delivery of water to over 80% of Arizona's communities.

B. The Proposed EPA Rule

The clearly stated purpose of the national visibility protection program set forth in the federal Clean Air Act (§ 169A) is to maintain and improve visual air quality in national parks and wilderness areas across the United States. While States are required to develop plans to ensure

“reasonable progress” is made toward achieving visibility protection goals, federal law vests Arizona, not EPA, with express and primary authority to determine what the “Best Available Retrofit Technology” (BART) and “reasonable progress” measures should be for emissions sources in the State. The Proposed EPA Rule arbitrarily rejects the thoughtful and well informed determinations already made by the State of Arizona as part of its Regional Haze SIP. Specifically, Arizona lawfully exercised its technical, economic and environmental discretion when it made its SIP BART determinations for the Cholla Power Plant, the Coronado Generating Station and the Apache Generating Station. Arizona’s SIP reasonably determined that BART for the Cholla Power Plant, the Coronado Generating Station and the Apache Generating Stations **was not** selective catalytic reduction (SCR) technology. Remarkably, EPA’s Proposed Rule now seeks to reject Arizona’s reasonable determination based upon an incorrect assertion that Arizona improperly assessed the pollution control costs and visibility improvements in its BART determinations for the Cholla, Coronado and Apache units. EPA’s Proposed Rule would require the operators of these stations to install SCR, a control technology that costs hundreds of millions of dollars more than the technologies Arizona determined as appropriate for these units – all for no humanly-perceptible improvement in visual air quality in any national park or wilderness area.

C. EPA’s Proposed Rule Will Negatively Impact Electricity Consumers In Arizona and The Southwest U.S.

If finalized, the Proposed EPA Rule will impose significant adverse economic impacts on the Arizona regional and national economies. Requiring the operators of the Cholla Power Plant, the Coronado Generating Station and the Apache Generating Station to install SCR will cost hundreds of millions of dollars – costs that will have to be passed on to electricity consumers in Arizona and the southwestern United States. Such costs unnecessarily impair individual and commercial electrical consumers. Low-income families will be hit the hardest by the associated significant increases in energy costs.

Energy prices, high unemployment, and declining incomes are already straining the budgets of Arizona businesses and families. Arizona households with annual incomes below \$50,000

represent 53% of Arizona's population. These households spend an estimated average of 20% of their after-tax income on energy. (See Attachment C ACCCE Arizona Energy Cost Analysis <http://www.americaspower.org/sites/default/files/AZ-Energy-Cost-Analysis-212.pdf>). Increases in energy prices for these families are material and reduces the amount of money they have available for food, medical care and other necessities. Those with the lowest incomes are obviously the hardest hit by increasing electricity prices.

D. The Proposed EPA Rule Will Not Improve Visual Air Quality In National Parks And Wilderness Areas

Unlike other federal Clean Air Act programs, the Visibility Protection program does not relate to human health standards, meaning that none of the emission reductions estimated to be achieved in the Proposed EPA Rule are required to safeguard human health. Despite the Regional Haze program's goal to improve humanly-perceptible visual air quality at Class I Areas, EPA's Proposed Rule fails to accomplish this fundamental goal. Rather, as EPA's own analysis reveals, the installation of SCR equipment at the Cholla Power Plant, the Coronado Generating Station and the Apache Generating Station will not actually improve humanly perceptible visual air quality at nearby national parks and wilderness areas.

E. EPA's Proposed Rule Ignores The Regional Haze Program's Partnership Between the State of Arizona And The Federal Government

The Clean Air Act vests Arizona, not EPA, with the primary authority to determine what the BART and "reasonable progress" measures should be for emissions sources in the State. As recognized by the U.S. Court of Appeals, the Clean Air Act "calls for states to play the lead role in designing and implementing regional haze programs." *American Corn Growers Ass'n v. EPA*, 291 F.3d 1, 2 (D.C. Cir. 2002). Remarkably, the Proposed EPA Rule disregards the primary role that the Clean Air Act assigns to Arizona to design its Regional Haze SIP and instead seeks to replace Arizona's reasonable BART determinations with EPA's own preferred determinations. In doing so, EPA fails to promote and implement the state-federal partnership enshrined in the federal Clean Air Act. The State of Arizona has diligently and rationally complied with the

Visibility Program requirements to meet the program's Regional Haze goals. Arizona's determinations should be respected and supported by EPA – not arbitrarily ignored, second-guessed or “disapproved.” ARPA is supportive of the sensible plan developed by the State of Arizona and believes EPA has demonstrated no basis in the Proposed Rule that would allow it to substitute its judgment for those already made by the State of Arizona.

ARPA appreciates the opportunity to provide input on EPA's Proposed Rule and ARPA representatives remain available to meet with EPA to discuss the serious concerns set forth in these comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Trussell". The signature is fluid and cursive, with the first name "Steve" written in a larger, more prominent script than the last name "Trussell".

Steve Trussell
Executive Director