

Congress of the United States
House of Representatives
Washington, DC 20515

January 30, 2013

Lisa Jackson
Administrator
Environmental Protection Agency
1200 Pennsylvania Avenue NW
Washington, D.C. 20460

Bob Perciasepe
Deputy Administrator
Environmental Protection Agency
1200 Pennsylvania Avenue NW
Washington, D.C. 20460

Dear Administrator Jackson and Deputy Administrator Perciasepe:

Associated Electric Cooperative Inc. (AECI) is researching the viability of one of its generating resources, the coal-fired power plant at Chamois, Missouri, owned by Central Electric Power Cooperative. Part of the economic analysis addresses the need to comply with Environmental Protection Agency (EPA) regulations. Preliminary analysis indicates the plant likely will be forced to shut down by the end of 2013, putting Missourians out of work and eliminating a reliable and low-cost source of electricity for individuals and businesses in central and eastern Missouri.

Over its sixty-year existence, the Chamois power plant has made significant socioeconomic contributions to the local community. Beyond providing employment opportunities and low cost energy for the surrounding region, this plant is a major source of tax revenue for the Chamois school, road, and fire districts, as well as an array of other local government entities.

A number of economic factors combine to make the future of the Chamois Power Plant unlikely. Among them is the impact of three EPA rules which require significant capital investments and additional annual operating costs. These rules include: 1 hour SO₂ National Ambient Air Quality Standard (NAAQS), Mercury and Air Toxics Standards (MATS) and Industrial Boiler Maximum Available Control Technology (IB MACT). Altogether, the Chamois plant must take on \$150,000 in additional annual operating costs and make EPA compliance related investments totaling \$14 million by the end of 2018.

Regarding compliance with 1 hour SO₂ NAAQS, the plant conducted a series of studies based on EPA draft modeling guidance in an effort to determine the most economical path to compliance. Based on its findings, the plant determined it should construct a common stack for both of its units with an estimated height of 340 feet at an estimated cost of \$8 million. Based on information made available by EPA, the plant expects compliance to be required during the latter half of 2018.

Regarding compliance with MATS, the plant also conducted studies to determine the most economical path forward. Based on its findings, the plant determined that compliance will require the use of a fuel additive, which requires a capital investment of \$100,000 to achieve the new mercury limit. To achieve the particulate matter requirements, the plant will require electrostatic precipitator (ESP) maintenance, costing about \$4 million, as well as \$150,000 in additional annual

operating costs. Based on EPA guidelines, these new measures must be in place by no later than 2015.

Regarding compliance with the IB MACT, the plant commissioned a study to determine the feasibility and cost to convert one of its units to burn low sulfur Wyoming coal in an effort to comply with the bulk of the new rule requirements. While the conversion is feasible, the cost to make the necessary safety and operational changes totals over \$1.9 million. This does not include additional operation and maintenance expenses or modifications to the existing electrostatic precipitator for controlling particulate emissions.

Further complicating this issue is the need to invest \$3 million during 2013 to allow continued rail delivery at Chamois Power Plant. Without the \$3 million infrastructure enhancement, the plant will no longer have a viable source of fuel and will be forced into closure by the end of 2013. Given the additional \$14 million required for compliance between 2015 and 2018, AECI is unlikely to make the \$3 million infrastructure enhancement that is required by the end of 2013.

Regarding EPA's data collection methodology, I want to make it clear that I am very troubled by the use of modeling to determine 1 Hour SO₂ NAAQS or any regulation for that matter. It seems unreasonable and irresponsible to use data from models when forming criteria for federal regulations over data from actual monitoring stations. To that end, I urge you to reconsider the use of models and formally request a detailed response regarding how and why EPA determined that using modeled data is the most prudent method.

For there to be any hope of overcoming the multiple obstacles facing Chamois Power Plant, the EPA should completely remove the aforementioned regulations affecting Chamois.

The future of the Chamois plant is severely impacted by the regulations promulgated by your agency, resulting in costs which are likely to force the closure of this plant. I do not believe that a forced closure of this plant is necessary or appropriate. I respectfully urge you to give due consideration to my request and look forward to your prompt response.

Sincerely,

A handwritten signature in blue ink, appearing to read "Blaine Luetkemeyer", with a long horizontal flourish extending to the right.

Blaine Luetkemeyer
Member of Congress