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AIR QUALITY

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Department of Environmental Quality
Air Quality Division
P.O. Box 1677
Oklahoma City, OK 73101-1677

Attn: Cheryl E. Bradley, Manager, Environmental Programs

Re: Support for OG&E Regional Haze State Implementation Plan Proposal

Devon Energy Corporation offers these comments in strong support of OG&E's alternative proposal to the draft Regional Haze State Implementation Plan (SIP) being considered by the Oklahoma Department of Environmental Quality (DEQ).

The OG&E proposal sets out a responsible, reasonable and common-sense process to meet the required "further progress" target of no man-made visibility impact established by the Clean Air Act. The proposal, if adopted by the DEQ, would allow OG&E to relatively quickly lower its annual sulfur dioxide (SO₂) emissions by reducing coal combustion and increasing use of available natural gas for base-load capacity. This would eliminate the need to install scrubbers that could cost \$1 billion to \$1.5 billion. The cost of which would have to be passed on to the OG&E ratepayers. As a side benefit, by reducing the use of coal and increasing the use of natural gas, OG&E will significantly reduce carbon dioxide (CO₂) emissions.

Natural gas is the cleanest fossil fuel. According to the U.S. Energy Information Administration, natural gas is twice as clean as coal. It emits a minuscule amount of SO₂ when combusted compared to coal (one pound per billion Btu for natural gas compared to 2,591 pounds for coal), which would drastically reduce SO₂ emissions to help meet the regional haze goals outlined in the draft SIP. In addition, natural gas is increasingly viewed as a real solution to reducing our country's carbon footprint. On a Btu equivalency basis, natural gas emits about half the amount of CO₂ as coal and according to OG&E's forecast, its alternative plan has the potential to reduce CO₂ emissions by over 11 million metric tons in the first 10 years and over 5 million metric tons per year for every year after 2026.

The substitution of coal with natural gas has a positive impact on regulated pollutant emissions as well. According to Department of Energy figures, the combustion of natural gas can reduce emissions of the ozone precursor nitrogen oxide as well as emissions of carbon monoxide by as much as 80 % when compared to coal. Further, the proposed fuel switch, when completed, could all but eliminate particulate matter emissions.

Thus, this alternative proposal to gradually replace coal with natural gas at four generation units makes sense because it will simultaneously allow OG&E to meet regional haze objectives, prepare the company for Federal GHG reductions and improve Oklahoma's air quality.

The natural gas needed to accomplish the OG&E objectives is available. The Potential Gas Committee at the Colorado School of Mines has estimated the United States has more than a 100 year supply of natural gas at current demand rates. The advent of new technology for the exploration and production of natural gas has allowed producers to develop new shale resources that will continue to increase supply in the U.S. These shale resources can increase near-term supply due to short drilling and completion times and very high initial production rates. They also contribute to long-term supply stability with up to a 40-50 year production life. These onshore resources are easier and less expensive to develop than offshore resources and are less affected by weather.

Oklahoma is a key contributor to natural gas supplies in the United States, and is helping improve our country's energy security. Oklahoma is one of the largest producers in the U.S. with an estimated natural gas production of 5 billion cubic feet a day (BCFD). Currently, Oklahoma exports 3.5-4.5 BCFD to other markets in the U.S., and its own shale gas resources will be a significant contributor to serving markets outside and within Oklahoma long into the future. For example, Oklahoma's Woodford shale could hold upwards of 100-200 trillion cubic feet of gas. By accepting the OG&E proposal to the draft SIP, the DEQ can help increase the local market for one of Oklahoma's most valuable natural resources, thus adding value to Oklahoma production which in turn will increase production tax revenues to the state treasury and royalties to state mineral owners.

Devon is a staunch advocate for greater use of natural gas for electricity generation, especially since only slightly more than 20 percent of installed gas generation capacity is being used. Natural gas can make important energy and environmental contributions now. It is the cleanest fossil fuel and is abundantly available in the United States. It can provide a clean energy source for electric power generation and can be a reliable backup for wind and solar.

Please accept this letter as support for the OG&E alternative proposal to the draft SIP for Regional Haze. Devon strongly believes this proposal is the best for the environment, the economy and for Oklahomans.

Sincerely,

A handwritten signature in black ink, appearing to read "W. Whitsett". The signature is fluid and cursive, written over a horizontal line.