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May 20, 2013

Oklahoma Department of Environmental Quality
Air Quality Division
P.O. 1677
Oklahoma City, Oklahoma 74010-1677
ATTN: Cheryl E. Bradley

RE: Comments of Quality of Service Coalition
(QOSC) on Oklahoma Department of
Environmental Quality's (ODEQ) Proposed
Regional Haze SIP Revision

Dear Ms. Bradley:

Quality of Service Coalition (QOSC) is an unincorporated association of Oklahoma consumers who primarily receive electric service from Public Service Company of Oklahoma (PSO). The majority of members are located in Northeastern Oklahoma but include members living and working in other areas of Oklahoma served by PSO. Our membership includes realtors, home and commercial builders, trade associations, cities and towns where PSO provides electricity, local banks, businesses and individuals. Our organization is concerned with service quality, the impact of rates on attraction and retention of new and existing businesses and the continued growth of our state.

QOSC is opposed to ODEQ's Proposed Regional Haze SIP Revision and is submitting the following comments to support that position. QOSC strongly suggests that the proposal does not conform to Federal and State statutory and regulatory requirements related to Regional Haze and thus should be rejected as a reasonable approach to implement control technologies to achieve those goals and objectives.

This proposal attempts to amend a previous Oklahoma State Implementation Plan filed by ODEQ in February, 2010, which proposed BART for six generating facilities in Oklahoma. Four of those generating facilities, Sooner 1 and 2 and Muskogee 4 and 5 are owned and operated by Oklahoma Gas and Electric, a public utility doing business

in Oklahoma and Arkansas. The other two generating facilities, Northeast 3 and 4, are owned and operated by Public Service Company of Oklahoma, an affiliate of American Electric Power, which owns electric public utilities operating in Oklahoma, Texas, Louisiana, Arkansas, Indiana, Michigan, Ohio, Kentucky, Virginia and West Virginia.

It is important to point out that the February 2, 2010 ODEQ Regional Haze Implementation Plan Revision filing used "incomplete visibility data for 2001, completed data for 2002-2004 and provisional data for 2005 and 2006. Baseline conditions represent the average of 2002-2004. (See page 16, ODEQ Regional Haze Implementation Plan Revision, February 2, 2010) In addition, ODEQ bases its long-term strategy on "an identified baseline emissions inventory, Base G of the CENRAP inventory for 2002. (Page 37, ODEQ Regional Haze Implementation Plan Revision, February 2, 2010)

ODEQ is required to consider and address the anticipated net effect on visibility resulting from changes projected in point, area, and mobile source emissions by 2018. As explained on Page 91 of the Regional Haze Implementation Plan Revision, February 2, 2010, the changes anticipated to occur will result from population growth, land management evolution, air pollution control, and development of industry, energy and natural resources. There is no indication in the most recently filed [Proposed] Regional Haze Implementation Plan Revision, March 20, 2013, that ODEQ used modeling data that contains updated emissions inventory data. To establish emissions in 2018 from the 2002 inventory, ODEQ, using CENRAP modeling expertise, developed an estimated inventory for 2018. QOSC respectfully suggests that the use of data that is outdated is inappropriate, requires additional data be supplied and would suggest that more current emissions inventory data be used in modeling of regional haze in 2018. The use of new data inserted in the CENRAP model and the results of new modeling information will provide ODEQ and EPA information required by regional haze statutes and rules.

Only recently EPA noted that Arizona Department of Environmental Quality failed to provide the most recent emissions inventory available as required by the Regional Haze Rule in 40 CFR 51.308(d)(4)(v), in addressing its updated Regional Haze submission. Arizona subsequently provided the 2008 emissions inventory. ODEQ should also be required to provide the most recent emissions inventory available to use in creating an estimated inventory for 2018. An updated emissions inventory is essential to the overall determination of BART-eligible sources in Oklahoma and to the determination of sources required to install BART.

The Settlement Agreement incorporated in this Proposal adopts a retrofit and retirement scheme to address future SO₂ emissions from PSO's Northeast 3 and 4 generating facilities. The proposal calls for installation of dry sorbent injection (DSI) and activated carbon injection on one unit (presumably Northeast 3) by 2016 to continue to operate that unit until 2026 and the retirement of the other unit (Presumably Northeast 4) in 2016.

Again, the [Proposed] Regional Haze Implementation Plan Revision filed on March 20, 2013, is inconsistent with the February 2, 2010, Regional Haze Implementation Plan Revision. On page 111, D. Factors for Consideration (1). Source Retirement and Replacement Schedules, ODEQ opined that it considered source retirement and replacement schedules developing its long-term strategy of emissions reductions. ODEQ concluded that it "cannot reliably predict the retirement or replacement of sources and consequently does not rely on source retirement to achieve any reasonable progress goal. Nothing in the [Proposed] Regional Haze Implementation Plan Revision provides the rationale or reasoning for ODEQ's new position on retirement or replacement of sources. Even more interesting is the lack of any information in the March 20, 2013 document addressing replacement of retired generating facilities in 2016 or 2026.

Reasonable progress goals require ODEQ to consider 5 factors in determining a reasonable progress goal. 42 U.S.C. Section 7491(g) (1) provides the five factors that must be considered in determining a reasonable progress goal:

1. Cost of compliance,
2. Time necessary for compliance,
3. Energy effects of compliance,
4. Non-air quality environmental effects of compliance, and
5. Remaining useful life of existing sources

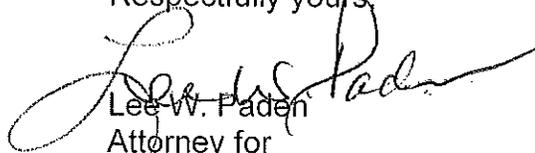
QOSC suggests that factor number 3, if considered at all, did not factor into its consideration the requirement for replacement energy and capacity as existing units are retired. Northeast 3 and 4 currently provides a significant percentage of all energy for PSO customers generated by its own facilities. One reason for this is the low fuel cost associated with operation of those facilities. Replacement energy will almost certainly be supplied by more expensive natural gas generating facilities, probably from Oklahoma Independent Power plants located near Tulsa. The need for replacement energy is quantifiable, the estimated cost of that replacement energy is quantifiable, and those issues will certainly impact the total cost of compliance.

NERC and SPP standards as well as state regulations require every public utility to be able to meet the needs of its customers. PSO provides electric service to more than 535,000 customers in Oklahoma and having the necessary capacity and energy to meet their needs is essential. Northeast 3 and 4 play a significant role in supplying PSO's customers electricity. Even the Settlement Agreement in this case signed by ODEQ, EPA, PSO and the Sierra Club (paragraph 14) recognizes that PSO must comply with all applicable federal, state, and local laws and regulations. Replacement energy for the 490 MW unit retired in 2016 must be immediately available upon retirement and the amount of replacement energy and costs associated with that replacement energy are readily quantifiable. Replacement energy for the 490 MW unit in 2026 is also quantifiable. These costs are necessary costs of compliance and without their inclusion in the review process, ODEQ cannot properly determine if the scheme of retirement suggested in the Settlement Agreement is acceptable.

Other commenter submissions address a number of additional issues. In particular, Oklahoma Industrial Energy Consumers (OIEC) has provided comments for this hearing. QOSC supports those comments and adopts by reference OIEC's written comments submitted on May 17, 2013.

QOSC suggests that the [Proposed] Regional Haze Implementation Plan does not meet the statutory or regulatory requirements necessary for approval of this proposal. QOSC recommends its rejection. In the best interest of Oklahoma customers of PSO, the state of Oklahoma and all Oklahoma citizens, the proposal should be withdrawn by ODEQ.

Respectfully yours,

A handwritten signature in black ink, appearing to read "Lee W. Paden", written in a cursive style.

Lee W. Paden
Attorney for
Quality of Service Coalition