



*STATE OF OKLAHOMA
OFFICE OF THE
SECRETARY OF ENERGY*

May 20, 2013

Department of Environmental Quality
Air Quality Division
P.O. Box 1677
Oklahoma City, Oklahoma 73101-1677
Attn: Cheryl E. Bradley

VIA Email: Cheryl.Bradley@deq.ok.gov

Re: Revision to Regional Haze State Implementation Plan Including Revisions to Affected Portions of the Interstate Transport SIP for the 1997 8-hour Ozone and 1997 PM_{2.5} NAAQS

Dear Ms. Bradley:

On March 22, 2013, the EPA published a proposal in the Federal Register to partially disapprove revisions to Oklahoma's State Implementation Plan to address Regional Haze. Notice of the EPA's decision came immediately following the EPA's proposal to regulate mercury and air toxins and amidst a vast array of pending and forthcoming Clean Air Act rulemakings. The EPA finalized its Federal Implementation Plan for Regional Haze on January 27, 2012 and its Mercury and Air Toxic Standards (MATS) on February 16, 2012.

Understanding that mitigation options for these rules are inextricably intertwined, the Governor encouraged a holistic and reasonable state-based compliance strategy. In her comments filed April 13, 2011 with the EPA, she directed Secretary of Environment, Gary Sherrer, Secretary of Energy, Michael Ming, and Department of Environmental Quality (DEQ) Executive Director, Steve Thompson, to be available for discussions with the EPA to avert a federal piecemeal approach in favor of a more consolidated, sensible state-driven approach. It is in this regard that the Public Service Company of Oklahoma (PSO) worked with state officials to craft an Oklahoma solution.

With months of extensive technical and legal review by the EPA, the U.S. Department of Justice, PSO, and the State of Oklahoma, the parties ultimately negotiated the settlement agreement that forms the basis for this First Amended Regional Haze Agreement. During the course of this review, the parties worked diligently to ensure that the agreed upon compliance strategy would provide greater regulatory certainty by ensuring compliance with both Regional Haze and MATS, and that this could be accomplished by mitigating costs to consumers. Notably this course of compliance offers greater flexibility regarding thresholds for emissions reductions, it significantly eliminates the risk that substantial capital costs will be passed along to ratepayers if investments are made in compliance technologies that are later deemed insufficient for addressing future environmental regulations, and it protects Oklahoma's environment and the health of Oklahoma citizens. And this is all made possible with greater reliance on Oklahoma's native resources, which are creating local jobs and supporting local economies.

Electric utilities subject to Regional Haze, MATS, and the panoply of pending and forthcoming environmental regulatory measures are compelled to act if they are to meet established compliance deadlines. The settlement agreement offers the "lowest, *risk-adjusted* reasonable cost option for compliance"¹ and it offers promise for future compliance as well with far lower capital risk. Inaction, which would place ratepayers, system reliability, and Oklahoma's environment at risk, simply cannot be an option.

For these reasons, I submit these comments in support of the DEQs First Amended Regional Haze Agreement. Thank you for your consideration.

Sincerely,

James P. Albert
Deputy Secretary of Energy
Office of the Secretary of Energy
State of Oklahoma

¹ OCC Cause No. PUD 201200054. Responsive Testimony of Craig R. Roach, Ph.D. on behalf of the Oklahoma Corporation Commission Staff and the Office of the Attorney General of Oklahoma (January 8, 2013).