

PRELIMINARY DRAFT - DO NOT CITE OR QUOTE

Missouri Air Conservation Commission
Air Pollution Control Program
PO Box 176
Jefferson City, MO 65102

[EPA Address]

Re: Proposed Affordable Clean Energy (ACE) Rule

To whom it may concern:

Chapter 643 of the Revised Statutes of Missouri (RSMO) establishes the Missouri Air Conservation Commission (MACC) as the regulatory authority for air pollution emission sources. The MACC represents the State of Missouri in all matters pertaining to the control of air pollutants. The duties and broad powers of the MACC since its creation in 1965 have been well established and fully exercised.

The MACC respectfully submits the following comments related to the proposed ACE Rule published in the August 31 issue of the Federal Register.

The regulation of carbon dioxide (CO₂) emissions is, and has been, an issue of serious concern for the MACC, the electric utilities and the Missouri legislature. Missouri has ____ coal-fired electric generating units (EGUs), and 77% of Missouri's electric power generation in 2016, according to the Department of Energy, was produced by burning coal. Only three states have a greater reliance on coal-generated electricity.

In an effort to address the bold threat to coal-fired EGUs posed by the former Clean Power Plan (CPP), the control of CO₂ from coal-fired power plants was specifically addressed by the Missouri Legislature with the adoption of RSMO

643.640 which became law on August 28, 2014. This statute gives the MACC clear guidance on CO₂ emission controls in three separate areas. They are:

1. The statute makes it very clear that the economic feasibility of CO₂ control measures must be a major consideration. The MACC is to consider “the economic impacts of closing the existing affected source, including expected job losses if the existing affected source is unable to comply with the performance standard; and the customer impacts of applying the emission standard and compliance schedule to the existing affected source, including any disproportionate electric rate impacts on low-income populations.”
2. Coal-fired power plants with remaining useful life, and possibly outstanding debt, should not be forced to cease operation because of overly stringent CO₂ controls.
3. Carbon dioxide emission control requirements must be based on a “unit-by-unit analysis” of individual plant sites. (This provision of the RSMO rejects going “outside the fence-line” to meet state-level emission reduction targets as required in the formerly proposed CPP rule.)

After review of the proposed ACE rule, we believe the proposal does satisfactorily address those three requirements set forth in RSMO 643.640.

Due to the inherent difficulty of removing CO₂ from stack gases at combustion sources, we agree that heat rate improvement (HRI) measures are the best system of emission reduction (BSER) for existing coal-fired EGUs.

We feel the ACE rule’s allowance of flexibility for states to tailor control strategies to meet the state’s individual needs is an outstanding feature of this new rule. For too long EPA has failed to give states sufficient latitude to develop control plans suited to the individual needs of the state. EPA’s listing of “candidate

technologies” will provide needed technical assistance for state regulators charged with implementation of the new rule.

EPA, in the proposed ACE rule, also addresses another issue of major importance. Power plants making efficiency modifications can get caught up in a costly and time consuming New Source Review (NSR). EPA plans to make revisions to the NSR program that can lower this barrier to the implementation of efficiency projects at EGUs. This is a much needed “common-sense” modification to the federal regulations.

The MACC finds the proposed Affordable Clean Energy rule to be a reasonable approach to the regulation of carbon dioxide emissions from coal-fired power plants. We support the overall regulatory strategy of the Affordable Clean Energy rule, and believe it will allow Missouri’s electric utilities to provide a secure and cost-effective energy future for the citizens of Missouri.

Thank you for considering our comments.

The Missouri Air Conservation Commission