Public Service of New Hampshire

A Northeast Utilities Company

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William H. Smagula
Vice President - Generation

February 4, 2014

Curt Spalding
Regional Administrator
US EPA Region 1
Mailbox Code: ORA01-4
5 Post Office Square – Suite 100
Boston, MA 02109-3912

Dear Mr. Spalding:

Public Service Company of New Hampshire ("PSNH"), the owner and operator of Schiller Station in Portsmouth, New Hampshire, met with members of EPA ("Environmental Protection Agency") staff (Region 1, DC Headquarters, and North Carolina) and members of the New Hampshire Department of Environmental Services-Air Resources Division ("NHDES") staff on January 27, 2014, to discuss the Section 126 petition submitted by the Town of Eliot, Maine, related to the operations of Schiller Station. Schiller Station, a critical contributor to the region's electric reliability as demonstrated during this bitterly cold winter, operates in full compliance with all federal, state, and local laws and all permit limitations. Schiller Station takes great pride in its record of environmental compliance and innovation including the repowering of Unit 5 from a coal-burning unit to biomass in 2006--the largest renewable energy project in the country at that time and recipient of numerous awards. Schiller Station has received EPA's Clean Air Excellence Award (2008) which states "[T]his exceptional achievement demonstrates a true commitment to obtaining cleaner air and protecting the environment."

The Town of Eliot's Section 126 petition at issue, drafted in its totality by the Sierra Club, is deeply flawed and should be denied. We firmly believe it will not withstand proper technical scrutiny or legitimate legal analysis. In brief, the petition is based on inaccurate information and erroneous modeling inputs; the modeling does not reflect current guidance and is limited to hypothetical potential emissions; the petition does not satisfy critical statutory requirements; and past legal precedent is ignored. In addition to its flawed modeling, the petition ignores actual ambient air quality data from the nearby Pierce Island air monitoring station that establishes no violations of the applicable standard have occurred since the monitor's installation in 2003.

Please note that this is not a petition submitted by the State of Maine. In fact, and as a matter of law, the Town of Eliot's petition would require EPA to reach a determination that much of York County is in nonattainment--a classification with which the State of Maine does not agree. In essence, to grant the Town's petition would provide relief to an entity not authorized to seek it, in an area not classified for the protections afforded by the statute, based on modeling that conflicts with actual emissions and monitoring data and with EPA guidance.

At the recent meeting with EPA, PSNH requested the opportunity to submit preliminary comments on the petition-- specifically, threshold issues of law as well as some of the technical flaws identified by our expert. This filing is intended to provide critically important information to facilitate EPA's decision-making process and is by no means representative of all legal arguments PSNH may raise nor inclusive of all technical errors that PSNH has identified. PSNH reserves the right to supplement this information.

PSNH appreciates the opportunity to provide these preliminary comments to EPA during EPA's assessment of the petition, and we look forward to continuing the discussion with EPA and state regulators. Please do not hesitate to contact me.

Yours truly,

William H. Smagula

William H. Smagula, P.E.
Vice President--Generation

cc: Linda T. Landis, Esq., Senior Counsel, PSNH
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Three Enclosures:

1. Legal Deficiencies in the Town of Eliot's Section 126 Petition
2. Attachment A: Maine DEP Report
3. Attachment B: Exponent Review of Modeling