From: McKaughan, Colleen
To: Webb, Thomas; Chen, Eugene; Bohning, Scott; Withey, Charlotte; GLASS, GEOFFREY
Subject: RE: Greenwire re: NGS and San Juan
Date: Thursday, October 09, 2014 1:08:00 PM

[redacted]

Exemption 5: Deliberative/Attorney-Client

From: Webb, Thomas
Sent: Thursday, October 09, 2014 10:52 AM
To: McKaughan, Colleen; Chen, Eugene; Bohning, Scott; Withey, Charlotte; GLASS, GEOFFREY
Subject: Greenwire re: NGS and San Juan

AIR POLLUTION:

Enviros challenge one haze plan while EPA approves another

Amanda Peterka, E&E reporter

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Environmentalists this week challenged a final plan to reduce haze pollution at one of the country's largest coal-fired power plants.

The coalition of environmental groups says that U.S. EPA's plan for the Navajo Generating Station, a 2,250-megawatt plant in Arizona, does not go far enough to improve visibility at Grand Canyon -- which is less than 20 miles away -- and other regional national parks.

EPA in July announced the final pollution reduction plan for Navajo, which calls for reductions of about 80 percent in nitrogen oxide emissions from the plant by the year 2030. Under the plan, Navajo Generating Station is required to close one coal-fired unit in 2019 and meet the limits in the other two units through the installation of selective catalytic reduction technology.

EPA said the plan will reduce visual impairment by 73 percent at 11 surrounding national parks and wilderness areas, including the Grand Canyon. It is part of a larger Clean Air Act effort by EPA to reduce regional haze in natural areas.

"By cutting pollution from NGS, millions of visitors will see the magnificent vistas of the Grand Canyon with greater clarity," EPA Region 9 Administrator Jared Blumenfeld said in July (*E&ENews PM*, July 28).

But the National Parks Conservation Association, Sierra Club, Grand Canyon Trust and Natural Resources Defense Council accused EPA of illegally watering down the pollution reduction plan in their petition for review. The final plan stems from a proposal by a technical working group of American Indian leaders, conservationists and owners of the Navajo Generating Station.

"EPA has decided to avoid compliance with the requirements of the law and allow industry to delay cleaning up this dirty old plant with potentially empty and unenforceable promises," said Janette Brimmer, an Earthjustice staff attorney who is representing the environmental groups. "We have filed this case to steer EPA back onto the path of the law."

The petition was filed Tuesday in the 9th U.S. Circuit Court of Appeals.

The Navajo Generating Station is co-owned by the Bureau of Reclamation, the Salt River Project, the Los Angeles Department of Water and Power, Arizona Public Service, NV Energy and Tucson Electric Power. The Los Angeles Department of Water and Power and NV Energy, which collectively own 32.5 percent of the plant, recently announced that they would divest from the generating station.

EPA approves San Juan haze plan

EPA today approved a separate final regional haze plan crafted by New Mexico for San Juan Generating Station, a 1,798-megawatt coal-fired power plant about 200 miles west of Navajo Generating Station in the Four Corners region.

The final plan requires the generating station to install nitrogen oxide pollution control devices on two units by early 2016 and to shutter two other units by Dec. 31, 2017. The actions will both reduce haze pollution at regional national parks and wildernesses and ensure that emissions from the coal plant do not interfere with programs in other states to improve visibility, EPA said in a *Federal Register* notice today.

The agency also today officially withdrew the federal plan for the generating station. Both actions were published today in the *Federal Register*.

The actions cap a long-running dispute between New Mexico and EPA over haze pollution stemming from the generating station. EPA initially rejected New Mexico's plan to reduce nitrogen oxide pollution at the plant, finding it insufficient to improve visibility at nearby national parks and wildernesses. In 2011, EPA ordered reductions at the plant, but the agency's action sparked a series of lawsuits, and it eventually put a stay on the requirements.

In February 2013, New Mexico and EPA announced that the state would be proceeding with an alternative to the federal plan. The new state plan approved today reflects a nonbinding agreement signed between plant operator Public Service Company of New Mexico, the state and EPA.

According to EPA, the new state plan is expected to cost $34.5 million, or $1,049 per ton of nitrogen oxides reduced, compared to the federal plan's cost of $345 million, or $5,684 per ton.

EPA said it believed the new state plan was "reasonable" when "cost, energy and non-air quality environmental impacts, and anticipated visibility benefits are taken into consideration."

The state plan has support from the Navajo Nation and environmentalists, though in public comments environmental groups said they would have preferred to see at least one other unit at the coal-fired power plant retired.

The National Park Service has expressed concern that the plan would achieve less progress than the federal plan in improving visibility at Mesa Verde National Park, Canyonlands National Park and Weminuche Wilderness.

EPA's federal plan had imposed limits of nitrogen oxides from San Juan's four units of 0.05 pound per million British thermal units; the approved state plan sets NOx limits for two units at 0.23 pound per million British thermal units.