



2015 Chestnut Street Camp Hill PA 17011

Phone: 717 763 7635, Fax: 717 763 7455

Email: office@arippa.org

Web: www.arippa.org

ARIPPA TESTIMONY:

Jeff A McNelly, ARIPPA Executive Director and
John Oelbracht, Resident Manager, Westwood Generating, LLC

ON THE TOPIC OF:

EPA's proposed rule: Carbon Pollution Emission Guidelines for
Existing Stationary Sources (or the "Clean Power Plan")

DELIVERED TO:

Pennsylvania House of Representatives
Environmental Resources & Energy Committee

September 16, 2014

Introduction:

Good morning, Chairman Miller, Minority Chair Vitali, and distinguished members of the Committee.

My name is Jeff McNelly, and I serve as Executive Director of ARIPPA. Seated beside me is John Oelbracht who serves as the Resident Manager of one of ARIPPA's member plants, Westwood Generating. We are both here on behalf of ARIPPA and we appreciate this opportunity to testify on the effects of EPA's proposed "Clean Power Plan."

ARIPPA is celebrating its 25th anniversary this year as a Pennsylvania based non-profit trade association. Its membership is comprised of electric generating plants, combusting coal refuse as primary fuel and producing alternative electric energy and/or steam. Most ARIPPA plants were originally constructed within close proximity of vast legacy coal refuse stockpiles in the Anthracite and/or Bituminous coal regions of the United States. ARIPPA plants generate approximately five percent (5%) of the total electricity produced in the Pennsylvania-West Virginia region. Hundreds to thousands of citizens are directly or indirectly employed by the ARIPPA industry, and live, along with their children, and families, in communities within close proximity of the ARIPPA alternative energy plants.

ARIPPA, on behalf of its member companies, is accordingly proud to provide testimony to the Committee on EPA's proposed rule: Carbon Pollution Standards for Existing Power Plants.

A. Pennsylvania's Legacy Environment:

Historical coal mining management practices included the abandonment of thousands of acres of mine lands and the stockpiling of low quality, low BTU, non-marketable coal known as coal refuse on surface lands. Exposed to the natural elements these unsafe lands and stockpiles of coal refuse expanded their negative environmental footprint over time, causing much of our water, land, and air to become unsuitable for the growth of vegetation or the habitat of wildlife, fish, and/or citizens. Pennsylvania's Department of Environmental Protection (PADEP) has reported that

Pennsylvania has more than two billion tons of coal refuse stockpiled on abandoned mine lands resulting in the largest source of water pollution in the state. The estimated time and cost to eliminate this “legacy” environment is 500 years and nearly 15 billion dollars of tax-payer funds.

An additional significant environmental problem that has occurred in the past, continues to occur today, and will likely occur in the future, is the uncontrolled burning of legacy coal refuse stockpiles. Certain stockpiles, on occasion, naturally combust due to “Mother Nature” and/or unfortunate citizen activities. Such combustion produces various uncontrolled ground level emissions including GHG. Pennsylvania has long recognized this hazard and passed legislation in an attempt to abate and/or control these “naturally occurring” coal refuse fires. ARIPPA is convinced that EPA is also aware of this naturally occurring hazard and the correlating release of uncontrolled ground level emissions including GHG. We feel confident that EPA is also aware of the release of methane gas that currently occurs in most abandoned mine environments.

B. Twenty-Five Years of Success :

Coal refuse-to-alternative energy Circulating Fluidized Bed (CFB) plants have collectively removed and converted (in a regulated, controlled manner) over 200 million tons of coal refuse into alternative energy, thus eliminating one of our major sources of land and water contamination. ARIPPA member plants have provided a multi-media environmental and economic benefit without the direct aid of taxpayer dollars. These benefits include the reclamation of thousands of acres of formerly environmentally damaged mine-scarred lands, resulting in the restoration of hundreds of miles of formerly polluted streams; the elimination of public safety hazards, including the reduction in the uncontrolled release of GHG; the production of 1,500 MGW of alternative energy electricity and/or steam while directly and-or indirectly employing hundreds to thousands of citizen-workers.

C. Energy & Emissions:

Coal refuse-to-alternative energy CFB plants were originally constructed subject to federally mandated size restrictions. As a result, most facilities are relatively small in size, and the total

emissions from the industry on a nationwide basis are diminutive. Conversely, the facilities relative small size make it increasingly difficult to comply with new costly regulatory emission standards. When balanced against the environmental benefits the industry has provided over the past 25 years, we are hopeful that EPA, PADEP, and the Commonwealth will continue to see the value of eliminating these negative environmental hazards through controlled activities from an industry with a proven net positive effect on our environment. We are hopeful that the Commonwealth will take every step possible to help allow this industry to remain operational and viable.

D. Necessary Steps to remain operational and viable:

PADEP delivered a “White Paper” concerning the proposed GHG rule to EPA recommending they establish emission guideline targets based upon actions that can be taken directly by operators at existing sources that would actually be subject to emission guidelines. This approach is consistent with previous emissions guidelines promulgated under the Clean Air Act by EPA for other source categories. The White Paper also relates the importance of recognizing the inherent differences in rate-based versus competitive energy markets and the need to provide for electric grid reliability.

In its cover letter to the White Paper PADEP wrote “***The benefits of utilizing coal refuse are that it is essentially carbon neutral, emissions of other pollutants from coal refuse-fired sources are well controlled, and sources of acid mine drainage and ground water pollution are removed.***” ARIPPA whole-heartedly agrees and supports PADEP’s suggested “White Paper” approach.

Due to fuel considerations and plant size, coal refuse plants utilizing CFB technology cannot economically apply capital intensive carbon sequestration or advanced efficiency (heat rate) technologies to reduce GHG and continue to be economically competitive in the marketplace. Accordingly ARIPPA supports with amendments PA House Bill 2265 (GIBBONS) and PA Senate Bill 1346 (WHITE). Both of these bills, introduced this session, provide for a “reclamation tax credit”

for environmentally beneficial alternative energy plants. We are hopeful that the Legislature concedes that the challenge of reclaiming environmentally damaged lands and streams by relatively small electric generating plants trying to comply with ever increasing costly regulatory rules, including this latest EPA GHG rule, justifies legislative and financial support.

Given the widely recognized 25 year record of positive environmental benefits the coal refuse to alternate energy CFB industry has provided our nation, we believe specialized energy sources such as coal refuse plants should be excluded from EPA's proposed rule. Accordingly ARIPPA requests that the Committee assist our industry efforts to secure an exemption for NEW and/or EXISTING coal refuse to alternate energy CFB plants from EPA's proposed Carbon Pollution Standards Rules.

While ARIPPA member plants have always supported achievable emission standards, we also believe such standards must be adopted in a lawful manner that results in cleaner air, more jobs, and lower energy prices to meet the increasing demand of consumers. If any adopted rule would prevent new or existing CFB coal refuse sources from becoming or remaining economically viable, it would impose extremely harmful consequences for both the environment and the health/safety of several affected states citizens'. Detrimental rules may potentially displace thousands of jobs in these economically challenged areas, and drastically reduce the net amount of environmental benefits this industry provides.

ARIPPA will be submitting specific comments to EPA on this proposed rule and ARIPPA will gladly provide a copy of those comments to both the Committee and PADEP Again ARIPPA appreciates this opportunity to testify. John and I will now stand for any questions you may have

NOTE: See Attachment A

Jeff A McNelly, ARIPPA Executive Director: jamcnelly1@arippa.org

John Oelbracht, Resident Manager, Westwood Generating, LLC: joelbracht@westwood-os.com

Attachment A

Commonwealth of Pennsylvania

Recommended Framework for the Section 111(d) Emissions Guidelines Addressing Carbon Dioxide Standards for Existing Fossil Fuel-Fired Power Plants

PA Department of Environmental Protection Bureau of Air Quality
April 10, 2014

Sent by PADEP Secretary E. Christopher Abruzzo on April 10, 2014 with Cover Letter to Gina McCarthy, Administrator Environmental Protection Agency

Pages 3-4:

“EPA must recognize the different makeup of existing power generation in each state and recognize flexible compliance pathways or mechanisms.

The existing power generation fleet in Pennsylvania is extremely diverse in terms of fuel sources, combustion technology, and vintage. As the Commonwealth is intimately familiar with the exact composition of the fleet, Pennsylvania is best suited to design the plan to meet the final emissions guidelines promulgated by EPA and also to be adequately flexible to accommodate Pennsylvania’s diverse resources.

This is true for all state and local agencies. Importantly, states should also have the ability to exclude certain electric generators that have environmental benefits that are beyond the CO₂ emissions from those sources. Examples of fuel sources that this may apply to are coal refuse and coal bed methane.

An excellent example of an electric generation source category with multi-media benefits is coal refuse combustion units. *In Pennsylvania, large piles of coal refuse are a legacy issue and these facilities turn this refuse into electricity in a controlled combustion process rather than through uncontrolled burning, which occurs due to the exposure of coal refuse piles to air. The exposure of a mining refuse pile to atmospheric oxygen and pressure promotes heat generating reactions, primarily oxidation of the coal refuse itself (i.e., the coal refuse piles are slowly burning), releasing CO₂ emissions as well as sulfur oxides, particulate matter, and other pollutants associated with poor combustion. **The benefits of utilizing this fuel source are that it is essentially carbon neutral, emissions of other pollutants from coal refuse-fired sources are well controlled, and sources of acid mine drainage and ground water pollution are removed.** Additionally, the use of coal refuse reduces the emissions from use of “new” coal or natural gas from being combusted to generate electricity in an amount that would reflect the amount of electricity generated by the coal refuse-fired combustion units.*

Because the ash from the controlled combustion of coal refuse is used to remediate the site where the coal refuse pile was located, these areas are reclaimed without any funding necessary from Pennsylvania taxpayers. At this point, over 7,200 acres of affected land in Pennsylvania have been reclaimed through the use of this fuel source. This represents savings to Pennsylvania taxpayers of \$140 to \$220 million dollars while providing jobs, environmental benefits, and taxes to the localities where these coal refuse-fired facilities operate. For perspective, the industry estimates there are still approximately 170,000 acres affected by coal refuse remaining in the Commonwealth.”