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Promoting and protecting the health of the public and the environment

January 21, 2016

United States Environmental Protection Agency
EPA Docket Center
Mail Code 2882T
1200 Pennsylvania Avenue, NW
Washington, DC 20460

Attention: Docket ID No. EPA-HQ-OAR-2015-0199

Re: Federal Register/Vol. 80, No. 64966/October 23, 2015/Federal Plan Requirements for Greenhouse Gas Emissions from Electric Utility Generating Units Constructed on or Before January 8, 2014; Model Trading Rules; Amendments to Framework Regulations

To Whom It May Concern:

Thank you for the opportunity to provide comments on the notice entitled *Federal Plan Requirements for Greenhouse Gas Emissions from Electric Utility Generating Units Constructed on or Before January 8, 2014; Model Trading Rules; Amendments to Framework Regulations*. The South Carolina Department of Health and Environmental Control (Department) is the public health agency for the State of South Carolina, and we are committed to promoting and protecting the health of the public and the environment for the State of South Carolina.

The Department would like to commend the Environmental Protection Agency (EPA) on the extraordinary outreach process its staff undertook to gather input from the various stakeholders across the United States. The EPA welcomed interaction with interested organizations in an unprecedented fashion, culminating in the vastly different Federal Clean Power Plan (CPP) rule (80 FR 64622). The resulting final federal rule developed by the EPA is also an unprecedented attempt to incorporate flexibility into an extremely complex issue involving environmental and national energy policy.

From the comments submitted to the EPA on the proposed CPP, stakeholders clearly needed the EPA to provide guidance on what was expected to be in the state plans and what the EPA would issue as a Federal Plan if a state plan was not approvable. This Model Rule/Federal Plan proposal is a very important first step in the development of approvable state plans that would allow effective trading. Further, if the EPA determines that a state plan is not approvable or a state does not submit a plan, this proposal provides insight into the potential components of a Federal Plan. As important as it was to develop an effective final CPP, the development of state plan guidance is no less important.

Given the review of the CPP final rule, its technical documents, national air organization sponsored webinars and other useful resources; the Department still finds it difficult to offer comments and recommendations on a very broad proposal addressing the Federal Plan and Model Rules. The EPA is seeking to elicit a wide range of feedback (approximately 300 specific requests for comment), by January 21, 2016. Because the very same staff involved with the earlier CPP final rule are also reviewing this proposal, resources are severely taxed.

SOUTH CAROLINA DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL

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The Department, therefore is submitting the following preliminary comments as a result of limited time, staff resources, and input from its key stakeholders.

Path Forward for Finalizing this Rule

The EPA is seeking a wide range of feedback on the proposed Federal Plan/Model Rules, with approximately 300 specific requests for feedback; this will most likely lead to significant changes reflected in the final rule. Given this, the Department requests that the EPA provide an additional modest comment period to respond to the EPA's modified Federal Plan and Model Rules before they are issued as final. For example, an additional comment period following the release of the EPA's CPP final rule would have greatly assisted State planning efforts due to the significant changes made from the proposed rule to final. The Department recently submitted comments to the Federal Docket regarding one of these significant changes, the Clean Energy Incentive Program (CEIP), on December 15, 2015 (see Docket ID: EPA-HQ-OAR-2015-0734). The CEIP should be revised so as to be reconciled with the final Federal Plan and Model Rules and this should be included in the additional comment period.

An additional comment period before the Federal Plan and Model Rules are finalized would ensure a transparent process and allow for continued meaningful input from states and stakeholders; in particular to provide comments on issues that they believe may not be logical outgrowths from the proposal. This is imperative for states like South Carolina as we evaluate how best to implement these requirements in our State/region while simultaneously addressing and developing potential regulation and statutory revision(s) which may be required.

Comments on the Model Plans

The Department has prepared comments on the Model Rules and would carry these thoughts to the EPA's development of Federal Plan(s). Further comments follow which are not specific to the proposed model mass/rate-based rules.

The Department appreciates the EPA's acknowledgement that states may be interested in utilizing the Model Rules and/or the Federal Plan to guide their compliance plans. As the Department has stated in prior comments to proposed rules, the timing issue is critical to states that are required to work through their legislatures. The EPA has indicated it will move to finalize these proposed rules by no later than the summer of 2016. South Carolina will still face enormous obstacles to overcome in terms of finalizing a state plan.

Adopting or using these rules is likely to require statutory or regulatory changes that must be approved by the South Carolina State Legislature. Even with the extension, there is a very tight timeframe to ensure adequate stakeholder consensus and drafting of a state plan for submittal to the legislature session in January of 2018 to be considered. Approval during this session, assuming there would be no delays, would be needed to ensure the Department meets the EPA's September 6, 2018, state plan submittal deadline. The Department strongly encourages the EPA to finalize these plans by early 2016 to provide adequate time for the states (as co-regulators) to adhere to their own state administrative procedures and statutory requirements.

Flexibility

The EPA is taking comment on the development of two Model Rules, one pertaining to a mass-based approach, the other a rate-based approach. For the EPA to continue to offer support and flexibility, the Department suggests consistency be maintained in the Federal Plan as well. Specifically, if a state is required to meet a Federal Plan by the EPA, rather than a presumed mass-based approach (as indicated as

the EPA's preference), the Department advises the EPA work with said state to choose between either a mass or rate-based approach, taking into account the state's own unique circumstances. This would maintain the benefit of flexibility, even for a state being prescribed a Federal Plan by the EPA.

Trading

The intent of the CPP is to reduce CO₂ emissions from power plants by a pre-determined amount for each state. The Department believes that maximum flexibility for the implementation of strategies by states will enable the achievement of the state individual goals. Maximizing the trading opportunities, whether through emission rate credits (ERCs) or allowances, and reducing impediments to this trading is essential for success. One potential impediment is the ability of a state that chooses to develop a rate based plan to trade with states that choose mass based plans. The EPA has stated that trading will only be allowed across states with the same type of plan, either rate based or mass based.

The Department requests that the EPA explore a conversion ratio and appropriate assurances to negate "leakage" concerns that would enable potential trading between rate and mass-based approaches. Additionally, the EPA may be setting up a selection process based on carbon policy that is co-dependent upon neighboring states' decisions. As outlined in both the final CCP rule and the Federal Plan (and Model Rules), trading will only be allowed among states with the same carbon policy. This would indicate a need for each state to be cognizant of the policy direction neighboring states are moving towards, prior to finalizing their state plan. However, emphasizing the administrative processes unique to states, the EPA's timeframes impede this kind of collaboration. Most states in the Southeast appear to be gathering stakeholder input, data and conducting analyses just as South Carolina. This staff intensive work lends very little time and resources to also trying to coordinate with other states in its region regarding carbon policy plans.

The Department requests the EPA take action to reduce these impediments stated above to enable states the time to build this cooperation and to increase the flexibility of the final CPP rule, including the proposed Federal and Model Rules. Due to the large number of issues and complexity involved with the final rule and the proposed rules related to the CPP, the Department would like the opportunity to make a well informed and adequate plan for addressing CO₂ emission reductions through deliberate analyses.

Title V Permitting Guidance:

The Department agrees that the appropriate Title V revision to incorporate CPP source-specific emissions standards determined to be "applicable requirements" should be a minor permit modification. Incorporating these new standards does not meet the criteria of a significant permit modification such as establishing or modifying case-by case determinations, federally enforceable caps or alternative emission limits. Additionally, we support the proposal that once the trading program requirements have been incorporated into a Title V permit, transactions (such as individual trades) would require no further modification to the Title V permit as long as there was no conflict with existing conditions. The Department does request that the EPA engage with the permitting agencies to develop and issue timely permitting guidance for the Federal Plan. Should the EPA choose to develop Title V standard conditions, the conditions should be brief and precise, as CPP requirements are "independently enforceable regardless of whether they have yet been included in the source's Title V permit."

Clean Energy Incentive Program (CEIP)

The EPA states that implementation of the proposed mass-based Federal Plan would require the CEIP to be implemented in the state. The Department would like to understand how the EPA would go about implementing the CEIP in a state. For example, it remains unclear how an energy efficiency program,

located outside of a low income community's geographic boundary, but beneficial to that community might be eligible under the CEIP (e.g., transmission and distribution upgrades).¹ Initially, the EPA stated in the preamble it would address the implementation details of the CEIP in a subsequent action. The EPA has since released this as a proposal (Docket ID No. EPA-HQ-OAR-2015-0734-0001, Clean Power Plan's Clean Energy Incentive Program (CEIP)), but provided little to no specific program content for stakeholders.²

(Earlier) Credit for Energy Efficiency and Renewable Energy Programs

The Department requests the EPA re-consider its position of not supplying federal matching ERCs/allowances for suitable projects earlier than 2018. Energy efficiency programs and renewal energy projects implemented in 2016 will likely have a similar impact to those programs/projects implemented during the 2021-2022 timeframe. The results should be similar in terms of reduced energy needs, reduced CO₂ emissions and hopefully lowered energy bills for our citizens.

Model Rate Plan

Emission Rate Credits (ERC)

The Department does not believe that the EPA should limit the scope of the proposed Federal Plan such that power purchase agreements would be necessary to establish or limit ERCs.

The Department supports the EPA's proposal to add a fourth category of "other low-and-zero emitting non-best system of emission reduction (BSER) measures" as options included in ERCs under the Federal Plan. However, the Department cautions that in doing so, the EPA should also provide states and renewable energy (RE) providers appropriate evaluation, measurement and verification (EM&V) criteria with which to certify these projects and also ensure that the EPA's own tracking system can/will account for measures that would fall within this fourth category.

Gas Shift (GC) ERC

The Department believes that the EPA should develop a uniform factor used to calculate the GS-ERC emission rate from Natural Gas Combined Cycle (NGCC) generation. This will ensure a consistent and replicable process is used that levels the playing field.

Eligible Emission Reductions (Biomass) and ERCs

The Department strongly encourages the EPA to fully develop comprehensive guidelines for the use of biomass as a qualified renewable energy resource in the Model Rules and in the Federal Plan. Biomass energy generation is a viable source of renewable energy that, like other renewable energy resources, can offset the use of fossil fuels and reduce CO₂ emissions. In developing these guidelines, the EPA should look to experts, like the South Carolina Biomass Council and the South Carolina Forestry Commission to develop the definition of "qualified biomass." These and similar organizations in other states have many years of experience in sustainably managing forests and crops, and can provide valuable input. The EPA should also look to these organizations to assist with developing reasonable EM&V protocols that are consistent with current sustainable management practices and do not place unworkable requirements on growers, harvesters and biomass fuel users.

¹ See: https://www.ase.org/sites/ase.org/files/clean_power_plan_fact_sheet_-_clean_energy_incentive_program_0.pdf

² See also SCDHEC comments submitted to the CEIP.

The Department does not support the idea of a “pre-approved list” of biomass options that might be considered as this could inherently limit a state’s ability to tailor its approach to implementation and even serve to limit potential future technological advancements in the field [see Clemson University’s switch grass as a biofuel website: <http://agroecology.clemson.edu/switchgrass/sg.htm>].

The Department believes that it is essential for the EPA to make a final determination on the status of biogenic CO₂ emissions from bioenergy sources and other biogenic stationary sources to adequately address biogenic sources in the Federal Plan/Model Rules. States must have this framework to ensure consistency in addressing biomass generation as part of the CEIP and in the state plan development. The Department also strongly suggests that the EPA reconsider its decision to limit biomass as eligible emission reductions in its own Federal Plan. Any limitations on biomass eligibility should be coordinated through the expected Greenhouse Gas (GHG) New Source Review (NSR) rulemaking process as the EPA proposes circumstances where biomass CO₂ emissions may be exempt from major NSR permitting. Again, the Department believes that this decision would stymie technological advancements in the field and leave some areas that have already investing in this resource at an economic disadvantage.

Tracking ERCs

Given limited state resources and experience, the Department strongly supports the EPA proposal to use its existing allowance tracking and compliance systems (ATCS) to track ERCs that are a part of either a state’s “ready-for-interstate-trading” state plan (as based on the rate-based Model Rule) or the rate-based federal trading program. Furthermore, the Department contends that the EPA should also develop and track in a similar way reductions that are generated as part of the proposed CEIPs as part of a potential mass or rate-based Model Rule or Federal Plan. The Department encourages the EPA to engage with independent verification programs to help administer these programs, but only as it might be used to develop a uniform system that is consistently applied to all mass trading programs. In either instance, having one central mechanism for establishing, holding, transferring, and verifying these reductions credits is pivotal for any trading program to work.

Emission Measurement and Verification (EM&V)

For any tracking system to work, an appropriate and consistent system to measure and verify emission reductions is essential to an EM&V program. The Department disagrees with the EPA that it is appropriate to allow the ERC providers to develop their own EM&V plans. However, given limited state resources and expertise and the need to provide a consistent approach to EM&V, the Department also does not believe it is appropriate to expect states to develop their own out of whole cloth. Rather, the Department believes that a viable alternative is for the EPA to conduct an analysis to develop draft or model EM&V plans to provide to states to either adopt as “presumptively approvable” or revise as appropriate. This could presumably also include as approvable appropriate existing state EM&V plans.

The Department also suggests that the EPA tracking system be made available to all states whether they promulgate their own plans or use some “trading ready” option provided by the EPA. This is necessary to ensure consistency and equality. Furthermore, the EPA tracking system needs to be developed in concert with the stakeholders that will be using it, with enough time to provide adequate comments, and be maintained by the EPA with as small a fee as possible to end users.

The Department is concerned the EPA may insist that each state develop its own tracking system. This concern extends to the payment for the creation of these systems and the sources of funding. The Department would not want a portion of its 105 Grant funds sacrificed to pay for such a system. This concern is demonstrable in a past example such as the Clean Air Markets Division (CAMD) system,

which was developed utilizing funding from the states' 105 Grant funding. State air programs are already stretched too thin for resources (funding and staff) at this time, and this trend may likely continue into the foreseeable future.

Worker Certification

The Department requests that the EPA provide clarification to this section of the preamble. The EPA suggests that electric generating units (EGUs) ask for a demonstration that work undertaken pursuant to a Federal Plan is performed by a proficient workforce, but provides little if any guidance. Specifically the Department would like to understand the implementation aspects for this certification. Would this be oversight performed by the EPA, or would this be an expectation placed on EGUs to self-report?

In the preamble, the EPA states it will perform periodic reviews of accredited verifiers as it relates to generating ERCs pursuant to the Federal Plan. In addition, the EPA encourages (not necessarily needed for presumptive approvability) states using model trading rules to describe how they will ensure a skilled workforce for installing demand side energy efficiency (EE) and RE projects, as well as ensuring that workers performing the EM&V will be certified by third party entities. The Department is interested in understanding if additional funding to a state agency performing this certification oversight will be provided.

Model Mass Plan

Set-aside in a Mass-based Approach

As noted in the preamble, an allowance set-aside is necessary in the event that an adequate supply of allowances is unavailable to cover resulting generation emissions from higher carbon emitting sources (e.g., needed fuel switching generation) in a potential emergency. This "emergency" set-aside would be in addition to the three (3) EPA proposed set-asides: (1) For a Clean Energy Incentive Program; (2) to support RE projects; and (3) to allocate allowances based on an updating measurement of affected-EGU generation. Based on our State's recent experience with devastating floods, the Department supports the EPA including this "emergency" allowance set-aside in the Federal Plan. The Department believes this is a necessity to meet any reliability issue which may arise in an emergency situation.

Allowances

The language for the phase out of allowances for retiring (coal) plants may incentivize keeping older, inefficient plants online to preserve allocations. In the mass-based approach, allowances may be allocated to individual sources. These allowances may be banked for future years or traded/sold among individual sources. As described in the proposed model trading rule, 5 percent (%) of allowances from the general pool are set aside to fund renewable sources (i.e., renewable set aside). The EPA states this renewable set aside will reduce leakage from affected sources to new sources not covered by the CPP. Also indicated in the proposal is that allowances from retiring fossil steam units would be reallocated into this in-state renewable set-aside. As such, a state that may see significant coal retirements would likely allocate a significant number of allowances into this renewable set aside, which in turn could impact the relative shares between the remaining fossil fuel plants and NGCC. It is therefore likely for these allowances to be continued by avoiding retirement of fossil fuel plants, which in turn might limit low cost compliance options to benefit local economic development and increase allowance prices.³

³ *Issue Brief- The Clean Power Plan: Focus on Implementation and Compliance*. pp. 13-14. The Brattle Group, January 2016

Amend Procedures for Approval/Disapproval of Plans: Clean Air Act (CAA) Section 111(d)

The EPA suggests procedural changes to CAA implementation as part of this approach to regulated CO₂ emissions. Specifically, the EPA states “The basic procedures in the CAA section 111(d) framework regulations were promulgated in 1975 based on the structure of CAA section 110 as Congress designed it in the 1970 CAA.”⁴ The EPA notes the recognition of the procedural limitations of the original State Implementation Plan (SIP) review process and the Agency’s difficulty to responsively work with state programs for approving SIP submittals. Thus, the EPA is proposing to amend procedures for approval/disapproval of CAA section 111(d) state plans. Furthermore, the EPA is also proposing to update the deadlines for acting on state submittals and promulgating a Federal Plan to track more closely with the current versions of CAA section 110(c) and 110(k) adopted in 1990. Finally, the EPA is also proposing to amend 40 CFR 60.27(b) to allow the EPA 12 months for this approval/disapproval of a state submittal.

The Department has long since advocated for a paradigm shift to more comprehensive multi-pollutant air quality management.⁵ To this end, the Department submits that the host of changes being proposed by the EPA under this program, further supports not only a fundamental shift to support the Department’s suggestions, but at a minimum support necessary administrative updates to the CAA. The proposed statutory revisions appear as an admission by the EPA that the current text is not only cumbersome, but also woefully out of date; additional proof that the CAA should be reviewed and updated overall.

Costs to Consumers

The investor and state-owned utilities, along with 20 consumer-owned electric cooperatives in South Carolina, rely in part on coal-based electric generating units to supply electricity to their customers. Many of these customers are disadvantaged and disproportionately impacted when electrical rates increase. Even with current planned coal plant retirements; there will still be 12 units in operation by 2018, which already have a full suite of emission control technologies applied. Even so, some of these plants may have to purchase ERCs (rate-based) or allowances (mass-based) to meet required CO₂ emission reductions.

A component of state compliance under the proposed rules, as well as the final CPP is the consideration of adequate state resources. States and the EPA must factor the costs associated with new transmission projects and other investments (utility scale wind and solar require transmission line development) into this cost of compliance. Furthermore, improvement to the technical aspects of a state’s power grid to improve efficiency in transmission can add costs, which are passed onto customers. The Department is very concerned about the potential increase in electricity costs for the customers/citizens in South Carolina as it relates to the Federal Plan/Model Rules.

Community and EJ Considerations

The EPA states it is important for overburdened communities to share in the benefits of the proposed rulemaking regarding clean energy efficiency. The EPA also states, “...it is also important to ensure that to the extent there are increases in electricity costs, that those do not fall disproportionately on those least able to afford them.”⁶ No apparent suggestions are provided to states in the proposed Federal Plan or Model Rules as to how this might be achieved. Rather the EPA solicits comments on this topic.

⁴ 80 FR 65035

⁵ See SCDHEC Testimony at Whitfield CAA Forums, July 31, 2012.

⁶ 80 FR 65079

Further, the EPA indicates that its engagement with various community groups throughout this rulemaking caused them to receive valuable input, prompting them "...to consider other steps that the agency can take in the short and long term to assist states and stakeholders to consider EJ and impacts to communities in plan development and implementation."⁷ However, no further information seems to be provided to explain these "other steps." Such information would be helpful to states.

Additionally, the EPA states this input prompted them "...to work with our federal partners to make sure that communities have information on federal resources available to assist them."⁸ The only resources indicated by the EPA are to identify federal grants available to communities. However, the Department's experience working with overburdened communities reflects a fundamental lack of resources in terms of developing and submitting applications for these highly competitive grants. As such, the Department suggests that the EPA not merely identify grant opportunities for communities, but work with its federal partners to provide these overburdened communities with the skills and training necessary to apply for, and if awarded, successfully administer grants.

The EPA states it has conducted a proximity analysis to provide detailed demographic information on communities located near affected power plants in the country. The EPA further states, "...being aware of the characteristics of communities closest to power plants is a starting point in understanding how changes in the plant's air emissions may affect the air quality experienced by some of those already experiencing environmental burdens."⁹

South Carolina's Continuing Stakeholder Efforts

SC Energy Coalition

Shortly after the Administration's Climate Action Plan was announced in June 2013, and after the EPA released a set of questions to utilities and state regulators in September 2013, the Department began consideration of how to best respond to the EPA prior the proposed CPP. The Department quickly realized that the scope of this effort would reach far beyond the Agency's normal activities. What grew from this effort was a concept to establish a SC Energy Coalition to include as many energy experts as possible.

This SC Energy Coalition¹⁰ is made up of representatives from the SC Office of Regulatory Staff's Energy Office, the Public Utilities Review Committee, electric companies and cooperatives, energy advocacy groups, conservation groups, academia, environmental justice organizations, and other regulated industries. Together this group developed a set of guiding principles that has served to describe the group's purpose and scope. With these principles in mind, the group has focused on developing an understanding of the State's renewable energy potential, integrated resource plan process, State plan development process, etc. This group has met almost monthly since its inception and group members have submitted answers to the EPA's initial questions and formal comments on the CPP proposal and CEIP. Several members of this group have formed separate work groups to focus on more specific technical issues; the most recent being a modeling workgroup and an environmental justice workgroup.

⁷ 80 FR 65049

⁸ Ibid.

⁹ Ibid.

¹⁰ <http://www.scdhec.gov/HomeAndEnvironment/Air/cleanpower/>

Modeling Effort

Beginning in August 2014 (after the release of the Final CPP (80 FR 64622), the Department and its stakeholders began examining potential State options to comply with the final CPP. This effort has consisted of a review of the EPA's proposal and now an understanding of the various compliance options allowed for under the CPP. While this work is largely ongoing, the efforts have proved useful in terms of identifying potential State plan options that make the most sense for SC's unique energy mix.

Public Engagement and Environmental Justice Work Group

While the SC Energy Coalition has proven to be a robust and useful forum to share ideas and perspectives, the Department still wanted to specifically reach out to overburdened communities that might well be adversely affected by CO₂ emission from EGUs. As such, the Department sought the advice of local community leaders. These representatives, who have long been active in the DHEC permitting process, leadership forums,¹¹ and listening sessions,¹² were essential to meeting this goal.

With the help of these key community leaders, the Department set out to establish local community advisory groups. These advisory group members helped to plan and participate in four regional kickoff engagement sessions across South Carolina. These engagement sessions served as the first opportunity for community leaders to actively participate in an engagement opportunity meant to cover basic information regarding the CPP and CEIP and solicit initial feedback.

Through the work of the SC Energy Coalition, regional community advisory hub meetings, and the Department's own Air Quality Coalitions,¹³ the State is poised to continue to reach out to community members to solicit feedback and input on how best to implement the CPP. The Department submits this information only as a means to adequately demonstrate both its commitment to address this requirement and as a means to demonstrate what is truly at stake.

While the Department believes this outreach is essential and demonstrates our commitment to sincerely, respectfully, and professionally adhere to the mission of our Agency (to promote and protect the health and environment of South Carolina), the expenditure of enormous resources cannot go without notice. Monumental resources have been spent by a host of public servants (both within and outside our own Agency) to understand the options and ramifications to South Carolina and its citizenry. With this in mind, the Department is concerned that the EPA does not adequately understand the challenges states have to overcome to achieve these goals. Now that the final rule and its vast components have been released by the EPA, the task to implement these programs has and will largely rest with state agencies.

Summary

First and foremost, the Department would like to request that the EPA not only allow for, but also provide a means for those states either choosing or being given mass and/or rate-based goals the ability to trade amongst each other. While we understand the issue of leakage, this is the only way to ensure that programs like the CEIP leverage the incentive necessary to adequately provide states and regulated entities with the option to take credit for early action while also encouraging outside the fence approaches to reducing CO₂ emissions. If the end goal is to reduce CO₂ emissions, then states should be afforded the flexibility to receive credit for any and all programs that do just that.

¹¹ <http://scapa.org/wp-content/uploads/2015/05/Reece-20150319.pdf>

¹² <http://www.scstatehouse.gov/archives/dhec/EJAdvisoryFinalReportCombined.pdf>

¹³ <http://www.scdhec.gov/HomeAndEnvironment/Air/OzoneAdvanceProgramforLocalGovernments/>

Once final, the Department understands that South Carolina will be responsible for the achievement of the performance goal assigned by the EPA. It is understood that the State standard must meet the EPA emission guidance. Moving forward the Department would recommend that the EPA continue its commitment to working closely with states and providing additional opportunities for dialog and information exchange with other stakeholders. This improved transparency is greatly appreciated and valued by our stakeholders who are key in the development of South Carolina's plan to address carbon emissions from existing power plants.

The SC Energy Coalition and other outreach efforts conducted thus far by the Department has helped to increase the knowledge of stakeholders through the sharing of information, and has also provided us an advantage compared to many states to work through the development of an approval CO₂ emissions reduction plan. This has enabled many interested parties to better understand the nuances of the integrated grid, operational capabilities of EGUs, the State regulatory process, and potential impacts of solar energy in the State's energy portfolio; along with being a great forum for ideas. South Carolina requests consideration of its recommendations for the final federal program to facilitate the development of a plan that will keep compliance costs as low as reasonably possible and lessen the cost impact to consumers, while also continuing to improve the air quality in the State, region, and country. The Department looks forward to working with the EPA and our stakeholders to achieve this end goal.

Respectfully,



Rhonda B. Thompson, P.E., Interim Chief
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cc: Myra Reece, Director of Environmental Affairs, EQC, SC DHEC
Heather McTeer-Toney, Regional Administrator, EPA Region 4