



Catherine B. Templeton, Director

Promoting and protecting the health of the public and the environment

December 6, 2013

A. Stanley Meiburg, PhD, Acting Regional Administrator
U.S. EPA Region 4
Sam Nunn Atlanta Federal Center
61 Forsyth Street SW
Atlanta, GA 303-8909

Re: Comments on Section 111(d) plans

Dear Dr. Meiburg:

The South Carolina Department of Health and Environmental Control (DHEC) is providing feedback to the United States Environmental Protection Agency (EPA) on state plans for the reduction of carbon dioxide from power plants under Section 111(d) of the Clean Air Act (CAA). DHEC appreciates this opportunity to provide feedback to EPA before the proposal stage of this rulemaking. DHEC recommends state flexibility, attention to limits in state's rulemaking timing, and the inclusion of all zero-emissions sources in any possible averaging plans. Any framework which significantly regulates public utilities must be reasonable in its approach, realistic with its deadlines, and not place unmanageable resource costs on customers, states, and utilities. EPA must be mindful that the power sector is already subject to non-environmental regulations in South Carolina to ensure grid reliability and is meeting other environmental regulations related to the boiler MACT and the Mercury and Air Toxics Standards.

We request that EPA recognize our state's leadership in work that has been conducted since the announcement of President Obama's Climate Action Plan in June. Since that time DHEC has held multiple meetings with a diverse group of stakeholders (public utility commissions, energy office, reliability organizations, community groups, and utilities) in an effort to identify potential areas of concerns. We hope these efforts will identify what is to be the backbone of EPA's proposed and final rulemaking and South Carolina's 111(d) plan. We encourage EPA to pursue due diligence as the final rule deadline approaches to consider the many different perspectives gathered during the public comment period. We believe that done properly, EPA will draft a proposal that fully utilizes the flexibility outlined in section 111(d) of the CAA.

South Carolina utilities and its Electric Cooperatives have voluntarily implemented energy efficiency, demand-side management and renewable energy programs for the past several years. While not necessarily specifically intended to reduce carbon emissions, we are proud of the total emission reductions these efforts have achieved. These existing efforts (to include; pollution control equipment, use of lower emitting fuels, and clean energy investments, specifically nuclear capacity) should be recognized as quantifiable reductions in carbon and ultimately extended to the state's power sector in the guidelines developed by EPA. To this end, DHEC provides these initial comments and we wish to note that more input may follow.

First, DHEC recommends that EPA allow state flexibility in implementing Section 111(d) of the CAA. States have different energy mixes, energy and environmental regulatory frameworks, and rulemaking requirements. While DHEC recommends flexibility in the specific requirements in state plans, DHEC also requests that EPA provide clarity on certain implementation topics, such as the relationship of these plans to Title V and New Source Review (NSR) permitting. Lack of attention to these implementation details could stymie effective administration of state plans. For example, utilities may be hesitant to expand energy efficiency programs because of the potential to trigger Prevention of Significant Deterioration or NSR requirements or the lack of efficient tools to calculate and track reductions.

Second, EPA should allow states to include all sources of zero-emissions energy in state plans. Increased nuclear generation, for example, would have a direct impact on generation at fossil-fuel-fired power plants. The dispatch order would likely operate nuclear plants before fossil-fuel-fired plants. Any EPA emission guideline document should treat nuclear the same as other zero-emissions sources such as solar, wind, and hydroelectric.

Third, President Obama's memorandum to EPA that set up a timeline for 111(d) plans directs EPA to issue a final rule in June 2015 and require that states submit plans by June 2016. While DHEC plans to continue to meet with its stakeholders during this year, one year is insufficient to craft effective state plans, including developing plans based on final EPA guidance. If South Carolina needs to develop regulations as a part of a plan, the rulemaking process requires stakeholder involvement, governed by state statutes, which takes longer than one year. EPA must reconsider this one year requirement. DHEC recommends that a Notice of Advanced Rule-Making be provided to help ensure an iterative process is used to achieve the best goal for carbon reduction. We recommend providing additional opportunities (by the Spring of 2014) for stakeholders to understand and comment on proposed pathways that EPA is considering prior to an actual proposed rule's more formal comment period.

South Carolina would like to commend EPA for your commitment to working closely with states and providing additional opportunities for dialog and information exchange with other stakeholders. We greatly appreciate and value the time already spent by Jeaneanne Gettle, Carol Kemker and Headquarter's Staff with South Carolina stakeholders who are key in the development of South Carolina's plan to address carbon emissions from existing power plants. Should you have any questions or concerns regarding this information, please contact Robert Brown of my staff by telephone at (803) 898-4105 or e-mail at brownrj@dhec.sc.gov.

Sincerely,



Myra C. Reece, Chief
Bureau of Air Quality

cc: Beverly Banister, US EPA Region 4
Jeaneanne Gettle, US EPA Region 4
Carol Kemker, US EPA Region 4
Scott Davis, US EPA Region 4
Lynorae Benjamin, EPA EPA Region 4
Todd Rinck, US EPA Region 4
C. Dukes Scott, S.C. Office of Regulatory Staff
Ashlie Lancaster, S.C. Energy Office
Elizabeth A. Dieck, DHEC