Smith, Claudia

From: Mark Compton [redacted]
Sent: Friday, June 13, 2014 3:14 PM
To: R8AirPermitting
Cc: Owens, Mike
Subject: Bonanza Power Plant - Title V Comments
Attachments: UMA Comments - Proposed Title V Permit for Bonanza 6-14.pdf; ATT00001.htm

Attached please find comments from the Utah Mining Association regarding the proposed Title V operating permit for the Bonanza Power Plant.

Regards,

June 13, 2014

Michael B. Owens
Air Program (8P-AR)
U.S. EPA – Region 8
1595 Wynkoop St.
Denver, CO 80202-1129

Submitted electronically at owens.mike@epa.gov and r8airpermitting@epa.gov

Re: Draft Title V Operating Permit for the Bonanza Power Plant

Dear Mr. Owens:

The Utah Mining Association (UMA) appreciates the opportunity to provide comments in response to the Environmental Protection Agency's (EPA) draft Title V Operating Permit under the Clean Air Act for Deseret Power Electric Cooperative's Bonanza Power Plant.

EPA also indicates that it may consider rescinding a vital permit granted to Bonanza almost 15 years ago. EPA says it might have made a "mistake" when it granted Bonanza a pre-construction permit, and might at some time try to "undo" the permit. Obviously, since the construction has been complete now for over a decade, Bonanza cannot "undo" the work that was expressly authorized by the EPA permit.

Bonanza is a Clean Plant

No power of any kind is produced without tradeoffs to the environment. The Bonanza Power Plant was built from the ground up to be a clean power plant. When it was constructed, the federal government prohibited use of natural gas for baseload electricity. Bonanza is one of the very few coal-fired plants in the country that was originally constructed with 100% scrubbed emissions, a state-of-the-art filtering baghouse to suppress particulate matter, and low-NOx design burners.

It remains one of the newer coal plants in operation in the U.S., emitting at rates well within acceptable ranges of other coal plants its size. It was reported to be in the top twenty cleanest power plants of its size by Power magazine in the mid-2000s.

This "best available control" configuration made Bonanza significantly more expensive to build and operate than the vast majority of coal units built before the full requirements of the Clean Air Act took effect. Bonanza has not paid off the existing controls required at the time of its construction – there remain another 15 years on the original mortgage.

If forced to modernize years before the existing equipment is paid, the cost of new equipment has to be **added to** the existing costs. Consequently, the residents and tribe members served by Bonanza could see power rates estimated to permanently rise as much as 40% and possibly more, just to pay for this upgrade alone. This is in addition to other substantial increases

anticipated on account of forthcoming greenhouse gas regulation, increases in costs to produce coal, and other cost increases, the result would lead to severe rate shock that would be unsustainable to the tribal and other rural communities.

On the other hand, if the plant waits and modernizes after the existing debt has been significantly reduced, it could accommodate massive new capital infusion without disrupting rates and wreaking economic damage to the tribal and rural communities it serves.

Emissions from Bonanza Do Not Contribute Substantially to the Ozone Issue

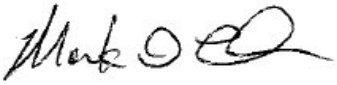
According to the 2013 Uintah Basin Ozone Study, prepared by researchers and air quality managers at Utah State University, University of Utah, National Oceanic and Atmospheric Administration, ENVIRON, University of Colorado, Utah Department of Environmental Quality and EPA, "The Bonanza power plant plume does not appear to contribute any significant amount of nitrogen oxides or other contaminants to the polluted boundary layer during ozone episodes; the thermally buoyant Bonanza plume rises upwards from the 183 m (600 ft) stack and penetrates through the temperature inversion layer. As a result, emissions from the Bonanza plant are effectively isolated from the boundary layer in which the high ozone concentrations occur."

Affordability and Balance

The Bonanza Power Plant provides stable rates to its tribal and other rural customers, and stable power supply to the Uintah Basin. In addition, the Deserado Coal Mine and its employees depend on the long-term viability of the Bonanza Plant. The Deserado Mine is isolated, with no rail delivery available, so without continued sales of coal to Bonanza, the mine will be forced to close. Western Colorado communities derive vital economic benefits from the continued, long-term operation of the Deserado Coal Mine.

Bonanza made long-term financial plans based on EPA's approval under the construction permit. Changing the rules after the fact is wrong, and would hurt communities, tribe members, and employees.

Sincerely,



Mark D. Compton
UMA President

UMA is a 99 year old, 126-member, non-profit, non-partisan trade association representing the interests of the mining industry in Utah. UMA members are actively involved in exploration and mining operations on public and private lands throughout the state. Our diverse membership includes every facet of the mining industry, including geology, exploration, mining, engineering, power generation, equipment manufacturing, legal and technical services, and sales of equipment and supplies. Deseret Power is a UMA member.