



Meeting Summary

ADEQ EPA CLEAN POWER PLAN STAKEHOLDER MEETING SUMMARY

DATE: November 3, 2015
TIME: 9:30-11:30 a.m.
LOCATION: ADEQ, Room 3175, 1110 West Washington Street, Phoenix

STAKEHOLDER ATTENDEES (See attached)

Theresa Gunn, GCI
Kelly Cairo, GCI
Ashley Dunn, GCI

ADEQ Staff
Eric Massey
Steve Burr
Kamran Khan

ADDITIONAL ATTENDEES AGENDA

The complete [agenda](#) is available online and includes:

- Review Agenda and Introductions
- Update
 - EPA Update
 - ADEQ Progress and Technical Advisory Group
- Proposed Federal Plan
 - Stakeholder questions and comments
- Presentation [EPA on Vulnerable Communities](#)
 - Stakeholder discussion on identifying and reaching out to vulnerable communities
- Next Steps
- Upcoming Meetings and Evaluation

REVIEW AGENDA AND INTRODUCTIONS

Meeting facilitator Theresa Gunn welcomed attendees and facilitated introductions. Approximately 45 stakeholders attended in person and 20 via conference call.

UPDATE

Air Quality Division Director Eric Massey reviewed EPA and other news-making issues. Highlights of Massey's update and stakeholder questions and comments included:

- The Clean Power Plan was published in the Federal Register. This sets the clock for any comments and litigation. Comments on the proposed federal plan are due January 21, 2016.

- The proposed federal plan will be the focus of these meeting and those of the technical work group because the model rules included in the federal plan would be presumptively approvable if submitted as part of the state plan.
- The Arizona Corporation Commission and the Arizona Attorney General's Office have filed lawsuits. These actions are not incompatible with ADEQ moving forward on the CPP. ADEQ has a statutory obligation to submit a plan in response to the CPP.
- The TWG gained further understanding about the proposed federal plan from Pace Global to assist in making comments on the plan.
- We have not seen additional information from EPA on CEIP so far.
- About 20 states have filed lawsuits.
- Pace Global provided a modeling software. They are an independent firm commissioned by Arizona utilities.
- ADEQ will consider providing information to the public to explain that while the state may be involved in a lawsuit, ADEQ is moving forward with a plan in response to the CPP.
- ADEQ continues to provide information to the governor's office about progress on the CPP and has not been directed to change what we are doing.
- In order for a lawsuit to stop the process, it would need to get a stay. This is rarely granted, and could be lifted, as well. Given the short time period for initial submittal, our focus continues to be moving forward. The 90-day clock continues regardless of litigation or a potential stay.
- It is unlikely EPA would grant an extension to the comment period. States have had an additional two-and-a-half months to review the rule due to the publishing date in the Federal Register. ADEQ has not discussed requesting an extension.

PROPOSED FEDERAL PLAN

Gunn requested additional comments on the proposed federal plan. Stakeholders submitted comment cards and comments via Poll Everywhere. Comments, including those submitted at the October meeting were read aloud. Proposed Federal Plan Comments will be available as an issues matrix on the [ADEQ CPP website](#).

Stakeholders were encouraged to continue to submit comments to ADEQ, to review the comment matrix online, and to submit individual comments to EPA.

Burr reviewed topics on which ADEQ plans to comment. Highlights included:

- Limitation on allowances for shutdown EGUs and its significance for Navajo generating station
- Output-based and RE set-asides to address leakage in mass-based plans that cover only existing sources and the methodology of set aside calculations
- Distribution method for RE set asides is questionable because it is based on a project's percentage share of the total pool of qualifying generation rather than the amount of generation
- The issue with double allowance counting penalty can become a spiraling issue
- EE should be counted in the federal plan

PRESENTATION ON “VULNERABLE COMMUNITIES”

Burr presented [Vulnerable Communities](#) information, which is available online. Highlights of the presentation as well as stakeholder comments and questions include:

- A state’s initial submittal requires a description of opportunity for public comment on the initial submittal and meaningful engagement with stakeholders, including vulnerable communities.
- Both the initial submittal and final plan require outreach to vulnerable communities.
- Vulnerable communities include low income communities, communities of color, and indigenous populations.
- EPA notes vulnerable communities may benefit from this rulemaking (e.g. mitigating climate change, mitigating conventional air pollution, employment opportunities).
- Detriments to vulnerable communities may occur (e.g. generation shifts causing localized increases in operation and therefore pollution, employment losses, and increases in electricity costs).
- EPA’s initial submittal memo includes some outreach options.
- A stakeholder cautioned ADEQ about the perception of receiving information from the government or a utility, as this could be automatically perceived as a bill.
- ADEQ looks at modeling to understand economic impacts. The plan does not require economic assistance.
- ADEQ has not yet looked into whether the power initiative fits into this plan.
- Tribes are subject to EPA rules, not ADEQ jurisdiction.
- Any low income area can use CEIP.
- A stakeholder suggested outreach should include information about benefits of the plan.

Gunn asked stakeholders to suggest areas that may include vulnerable communities, and methods for outreach. Suggestions included:

- Grassroots organizations
- Tohono O’odham, GRIC, northern Arizona tribes, Hopi, Hualapai, others
- City neighborhood resources, local governments
- ASU research to vulnerable communities
- Rural communities near EGUs and farther from EGUs (contact coops)
- Helping Heart, Friends of Library (Arizona/Mexico border area)
- Sun Plant neighborhood in Tucson, TYLO
- West Phoenix plant area
- EJ screening shows areas with 35% or more below poverty line
- SNAP and bill assistance programs (contact Arizona Community Action Association)
- Utilities with Title 5/6 contact lists
- Coops with existing bill assistance lists
- Affordable housing groups
- Tribal and rural communities – these communities are economically disadvantaged, more likely to experience job losses, less able to pay energy cost increases and might see greater cost increases compared to urban counterparts

Gunn encouraged attendees to provide additional information about groups or methods of outreach to ADEQ. Many stakeholder attendees will likely be contacted to assist in these efforts. She encouraged stakeholders to continue to submit suggestions to ADEQ.

NEXT STEPS

Massey reviewed the [draft work plan](#), which is available online. Highlights of the information and stakeholder comments and questions include:

- Most states will make an initial submittal and ask for the two-year extension to submit the final plan.
- States with existing greenhouse gas programs are more likely to be prepared to submit final plans in September 2016. Pennsylvania plans to do so.
- An extension request must include:
 - An identification of the final plan approach or approaches under consideration and a description of progress made to date on the final plan components
 - An explanation of why the state requires additional time
 - A description of the opportunity for public comment the state has provided on the initial submittal and opportunities for meaningful engagement with stakeholders, including vulnerable communities, during preparation of the initial submittal, and plans for public engagement during development of the final plan
- In selecting a final plan, states will need to know which plan other states will use. This affects plan selection, opportunity to partner, and economy of the plan.
- While Arizona could submit a final plan sooner than the two-year extension would allow, there is a stark difference between the initial plan and the final. An earlier plan submittal would shorten the time for plan development. The final federal plan will not be available until the summer of 2016. It will take time to evaluate whether the federal plan would work for Arizona.
- Those granted an extension must submit their final approach to EPA by September 2017.
- The proposed federal rule makes clarifications on interstate trading and selling of power from one state to another. EPA has provided “trading ready” information.
- Trading could be similar to acid rain trading; however, that is a federal program implemented by EPA. Trading across state borders would probably make an Arizona program more efficient.
- The new base case “business as usual” plan will include integrated resource plans provided by utilities to understand what we can expect in the next five years. These documents are strictly technical and don’t specifically include cost information. From that point ADEQ can consider what needs to be done to close the gap between utility plans and EPA goals.

Massey requested additional comments on the proposed federal plan by December 31, 2015.

UPCOMING MEETINGS AND EVALUATION

The next stakeholder meeting will be held January 5. The December meeting will be cancelled to allow time for the TWG to examine technical reasons for eliminating any plans from consideration. TWG information will be reported to stakeholders at the January meeting. Stakeholders were in agreement with the schedule change.

The January stakeholder meeting also will include information about comments ADEQ will make to the EPA.

- *Action Item:* ADEQ to post Proposed Federal Plan Comments matrix on website.
- *Action Item:* ADEQ to include preparation of comment plan matrix and requirements for initial submittal to work plan.
- *Action Item:* ADEQ to post 2016 meeting dates on website.

Upcoming meetings will be held on Tuesdays from 9:30-11:30 a.m. at ADEQ in room 3175. The dates noted below are currently scheduled. Please check the [CPP website](#) to verify dates and times prior to scheduled meetings.

2016 CPP Meeting Dates

January 5, 2016

February 9, 2016

March 1, 2016

April 5, 2016

May 10, 2016

June 14, 2016

July 12, 2016

August 2, 2016

Massey thanked stakeholders for their participation and ideas. He encouraged stakeholders to complete evaluations.

STAKEHOLDER ATTENDEES (IN PERSON AND BY PHONE) AND ORGANIZATION

Ryan Anderson	DEMENNA
Sandy Bahr	Sierra Club
Matthew Bailey	TEP
Casey Ball	EPIC
Will Barnow	GCSECA
Philip Bashaw	Grand Canyon State Electric Power Cooperative Association
Kevin Bedford	Green Power Electric
Clare Breidenich	Western Power Trading Forum
Jeff Burks	Energy Strategies LLC
Jan Bush	(representing self)
Andrea Chalmers	DNV GL
John Cordes	Corporate Growth Solutions LLC
Susanne Cotty	Pima Association of Governments
Gary Crane	Southwest Power
Jo Crumbaker	MCAQD
Michelle De Blasi	Gammage & Burnham
Cosimo Demasi	TEP
Michael Denby	APS
Todd Dillard	Robert S. Lynch & Associates
Lew Dodendorf	SRMATERIALS
Doug Fant	Southwest Power Group
Phillip Fargotstein	Fennemore Craig P.C.
Liz Foster	Maricopa County Farm Bureau
Robert Geake	ACC
Jeremy Gerlach	Veridus LLC
Paul Getty	(representing self)
Joe Gibbs	City of Phoenix
Joe Giudice	City of Phoenix
Patrick Grady	AZ Interfaith Power and Light
Bob Gray	ACC
Brittany Green	Arizona House of Representatives
Kevin Hengehold	Arizona Community Action Association
Holly Hoffolder	(not provided)
Rebecca Hudson	Southwest Gas
Gina Kash	Arizona House of Representatives
Anita Lee	EPA Region 9
Tina Lee	Star West Generation

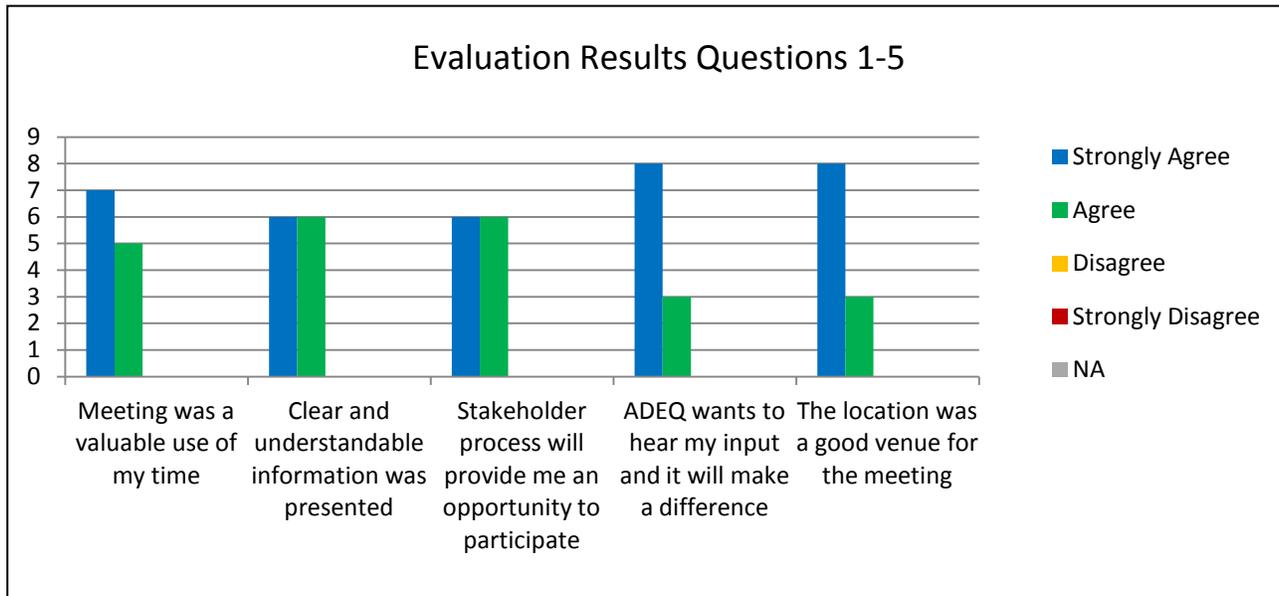
Beth Lewallen	Italicized Consulting
Toby Little	ACC
Ann Livingston	Southwest Energy Efficiency Project
Robert Longani, Jr.	(representing self)
Pedro Lopez	League of Conservation Voters
Anetha Lue	Yuma Cogeneration Associates
Lori Lustig	ACC
Dean Miller	Lux Consulting LLC
Gary Mirich	Energy Strategies LLC
Rick Moore	Grand Canyon Trust
Brad Musick	Western Resource Advocates
Geoff Oldfather	Arizona's G&T Cooperatives/AEPCO/SSW
Amanda Ormond	Advanced Energy Economy
Lawrence Ornellas	Yuma Cogeneration Associates
Rod Ross	APS
Reuben Ruiz	Central AZ Project
Amanda Rusing	Dorn Policy Group
Ron Schott	Arizona Technology Council
Maureen Scott	Arizona Corporation Commission
David Slade	Yuma Cogeneration Associates
Barbara Sprungl	Salt River Project
Barbara Stockwell	(representing self)
Jaret Sullivan	Arlington Valley Energy Facility
Stephanie Tsao	Argus Media
John Underhill	Arizona Power Authority
Richard Waddington	Chadbourne & Parke LLP
Todd Weaver	Freeport-McMoRan Inc.
Duane Yantorno	ASARCO
Jeff Yockey	TEP

ADEQ STAKEHOLDER MEETING EVALUATION RESULTS

Twelve stakeholders returned meeting evaluation surveys. Some stakeholders did not answer all questions. Some suggestions taken during meeting are included also.

Attendees were asked to rate their agreement (Strongly Agree, Agree, Disagree, Strongly Disagree, Not Apply) with the following statements:

- Meeting was a valuable use of my time
- Clear and understandable information was presented
- Stakeholder process will provide me an opportunity to participate
- ADEQ wants to hear my input and it will make a difference
- The location was a good venue for the meeting



What was the best thing about the meeting?

- Very good open discussion and clarification
- Going through the work plan
- Informative
- The opportunity for public comment through the process of Q&A. Thank you
- Taking information from the stakeholders
- The discussion

What should be changed for future meetings?

- Strongly encourage stakeholders new to the process to catch up with developments, perhaps clearer up-to-date summary of work?
- Nothing
- Don't put evaluation on back of agenda. I'm taking my agenda with me. Had to use an extra agenda to fill out your evaluation
- Nothing

Other

- "ADEQ wants to hear my input and it will make a difference" -- undetermined
- Phone participant: We cannot hear the questions from the attendees that are in the meeting room
- Phone participant: Second request to improve remote participation. The presenter's speech drifts off at the end of the sentences and we cannot hear via the phone