

# ADEQ EPA Clean Power Plan

## Stakeholder Issues Matrix

As of 11/3/2014

Topic	Source								Comment	Response to Question
	9/3	9/10	9/24	10/29	Email	Letter	Phone	Other		
General Goal Setting	x								Does ADEQ believe there are miscalculations or inconsistencies in EPA's calculations?	Not at this time. EPA's calculations and math appear to be accurate. ADEQ's concerns are with the inaccuracy of the assumptions that EPA used.
General Goal Setting	x								Does near-100% usage include all resources such as short term, out of state, etc.?	The near-100% usage that was discussed in the meeting includes all resources owned by companies that are responsible for grid reliability (e.g., APS, SRP, TEP, AEPSCO) during the hours with the highest consumer demand for electricity (generally in the summer). In these cases the utilities are purchasing power on the open market to meet consumer demand.
General Goal Setting	x								Does the annual generating capacity figure assume that all power generation is available?	Yes.
General Goal Setting	x								Haven't we identified enough significant new issues today that ADEQ should ask EPA for a second chance to comment on the plan after the October 16 deadline?	EPA extended the comment period until December 1, 2014.
General Goal Setting	x								How can we influence baseline and goal numbers? When does that period of influence end?	Submit data driven comments to EPA demonstrating the inaccuracy of their assumptions and provide alternative solutions that are simple, resolve the underlying problem for Arizona (and similarly situated states), and that do not greatly reduce the efficacy of EPA's proposed program. Public comments are required to be submitted by December 1, 2014. EPA may seek additional data or information prior to publishing the final rule. The period of influence completely ends on June 2, 2015, when the final rule is expected to be published.

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General Goal Setting	x								How does uncertainty of the state's growth rate affect the plan?	At this time population growth does not appear to have been considered in the development or establishment of a goal. States have asked EPA questions regarding whether EPA's program should be changed to address population growth.
General Goal Setting	x								Is hydropower included in the baseline measurements? If so, is a credit given in goal-setting strategies?	No, hydropower is not included in setting Arizona's baseline or goal. Hydropower constructed after 6/2/2014 could be used to meet the goal.
General Goal Setting	x								Measurement verification is an important consideration	
General Goal Setting	x								What does EPA require to extend the process to 2017?	A state must provide an "initial submittal" by 6/30/2016. The elements for an initial submittal are specified in proposed section 60.5760 of the proposed rule. The required elements include a justification for the extension, but no criteria for justification are supplied. Thus, the provision, as proposed, is open-ended.
Infrastructure/Reliability	x								Does the reference to "utility distribution system" include the merchant system?	Existing merchant power plants are subject to the rule, and are assumed to be available to handle redispatched coal-fired generation under EPA's proposal.
Infrastructure/Reliability	x								People whose water roles will be impacted by the economic and operational impacts of this rule: Arizona Municipal Water Users Association, League of Cities and Towns, Central Arizona Water Conservation District, Agribusiness and Water Council Office, and Arizona Farm Bureau	All of these organizations have been contacted.
Infrastructure/Reliability	x								Would it be fair to assume EPA did not analyze transmission constraints?	EPA's proposal does include information related to Integrated Planning Models that were used to study the potential impacts of EPA's proposed rule. That information is available on-line at: <a href="http://www.epa.gov/airmarkets/powersector/modeling/cleanpowerplan.html">http://www.epa.gov/airmarkets/powersector/modeling/cleanpowerplan.html</a>

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Legal	x								Federal agencies are required to provide a financial analysis. Will anyone review the financials on this program?	ADEQ is willing to accept input on comments regarding the financial impacts. The Arizona Corporation Commission, the Residential Utility Consumer Office, and the utilities themselves are better situated to provide financial analyses.
Legal	x								How can the agency move forward with a plan given the Arizona Legislature's current restrictions on ADEQ?	2010's HB2442 requires "express legislative authorization" for Arizona to allow ADEQ to participate in a state or multi-state program. ADEQ interprets participation to be the adoption of a program. We are working with the legislature regarding this proposal and will ensure that all necessary approvals are received prior to submission and adoption of a plan to EPA.
Legal	x								What is meant by legislative authorization? See this as a barrier	ADEQ will work with the legislature to define and then obtain the appropriate authorization.
Legal	x								Why is ADEQ the state agency lead? Is there a legal requirement to this end?	ADEQ is the state agency responsible for protecting air quality, see A.R.S. Title 49, chapter 3, and in particular has responsibility for maintaining the state implementation plan, see A.R.S. sec. 49-404. Section 111(d) specifies that the procedures for adopting state plans are to be similar to the procedures for SIPs. ADEQ has adopted rules implementing previous 111(d) programs.
Legal	x								You are downplaying litigation. Is there a plan to submit a placeholder comment to preserve future legal action and issues?	ADEQ intends to submit comments that will preserve its legal position should a legal challenge be necessary to the final rule.
Other	x								What about Sundt in Tucson?	ADEQ anticipates that the single coal-fired unit at the Sundt facility will change from coal to natural-gas before 2020.
Other Clean Air Act Programs	x								ACC regulated utilities are forbidden from double counting regarding the REST standard	
Other Clean Air Act Programs	x								Concerns with increasing natural gas use and increasing ozone levels?	Yes.

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Other Clean Air Act Programs	x								Since REST isn't tied to greenhouse gas emissions, how do we incorporate these goals?	There are a number of ways to make programs like Energy Efficiency and Renewable Energy portfolios enforceable. This question will be discussed in detail during Phases 2 and 3 of the Stakeholder meetings.
Other Clean Air Act Programs	x								Will EPA consider what happens when there is a shift of energy generating resources in areas that are currently in compliance, and those not in compliance?	ADEQ and many other states have asked for clarification regarding how enforcement will occur.
Tribal Sources and Multi-State	x								Are you including coal-fired generation on Navajo land?	Not at this time.
Tribal Sources and Multi-State	x								Have you considered a regional approach to the building blocks?	ADEQ has been focused solely on the goals. Compliance strategies will be considered in Phase 2 and 3 of the Stakeholder meetings.
Air Quality and Health Risks		x							Air quality and health risks (asthma, heart disease, etc.)	
Air Quality and Health Risks		x							Asthma data for emergency care: half the cost is paid through public tax dollars, and increases to 62% for youth	
Air Quality and Health Risks		x							Concern that coal generation capacity being proposed to shutdown in attainment areas will be replaced with N.G. generation primarily in the Maricopa County non-attainment area thereby exacerbating the local air quality problem	
Air Quality and Health Risks		x							Don't fight the rule. Reduce as much as feasible by working together	
Air Quality and Health Risks		x							Effects on health/air quality	
Air Quality and Health Risks		x							Environmental impacts to Arizona -- should it be forced to completely phase out coal and significantly shift energy portfolio?	
Air Quality and Health Risks		x							Federal funding for transportation is affected by air quality compliance	
Air Quality and Health Risks		x							Global weather change	
Air Quality and Health Risks		x							Large reduction in carbon emissions needed to prevent urban heat increase that will raise ozone levels	

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Air Quality and Health Risks		x							Look at how air quality impacts low income communities, which is where the higher public costs are (hot spot analysis)	
Air Quality and Health Risks		x							Public health impacts of higher CO2 -- drought, wildfires, agriculture, vector-borne disease	
Air Quality and Health Risks		x							Respiratory diseases will increase with ozone pollution related to higher ambient temperatures. Need deep reduction in CO2 emissions	
Air Quality and Health Risks		x							Responsibility to protect the commons	
Air Quality and Health Risks		x							Short/long term cost benefit analysis	
Alternatives		x							Arizona should implement a tax on carbon	
BB1		x							Arizona does not receive credit for BB1 because the assumption is redispatch BB2.	
BB1		x							Heat rate improvement percentage triggers 111(b)	
BB1		x							If BB1 is fully realized on all affected EGUs, what could be the total CO2/Mwh that could be realized and what would the total cost be for the heat rate improvements?	Under the current goal calculation there are no emissions reductions associated with Building Block 1 because Building Block 2 anticipates the shut down of all Arizona coal-fired facilities before 2020.
BB1		x							It's high time for coal-burning sources of emissions to adopt Best Technical Practices -- no more delays	
BB1		x							Technical infeasibility of Building Block #1	
BB2/Redispatch		x							Coal retirement	
BB2/Redispatch		x							Concern with peaking capacity with redispatch to NG CCTs	
BB2/Redispatch		x							Consider natural gas supply for redispatch; seasonal use	
BB2/Redispatch		x							Impracticality of BB2	
BB2/Redispatch		x							Market effects for natural gas/gas transport/supply/competition/price. Kinder Morgan says capacity is going quickly	
BB2/Redispatch		x							Monthly vs. annual for goal -- consider a seasonal calculation	

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BB2/Redispatch		x							Single asset generators' ability to redispatch issues: permit limitations; cost/price volatility; lack of supply; transmission; debt purchasing	
BB2/Redispatch		x							System dispatch: EPA fails to reflect the second-to-second load and generation balancing when "redispatching" the system to displace load with NGCC based upon annual capacity factor	
BB2/Redispatch		x							Transmission	
BB3/Renewable Energy		x							Arizona can do more with BB3 and BB4. This is the low-hanging fruit. Should not be voluntary	
BB3/Renewable Energy		x							Arizona has already done a lot, is it still low-hanging fruit?	
BB3/Renewable Energy		x							Arizona is doing well. Can the 1.5% reduction continue through 2030?	
BB3/Renewable Energy		x							Arizona should create incentives for alternative energy installation especially solar and clean vehicles	
BB3/Renewable Energy		x							Biomass credits -- healthy forests	
BB3/Renewable Energy		x							Consider other carbon sources, not just power sources	
BB3/Renewable Energy		x							Consider other sources of energy: biomass and landfills	
BB3/Renewable Energy		x							Does not coordinate with BB4 if distribution/generation are separate. Can distribution energy efficiency measures apply to generation?	
BB3/Renewable Energy		x							Energy efficiency for low income	
BB3/Renewable Energy		x							Healthy Forests -- use as a creative offset	
BB3/Renewable Energy		x							Transportation is a concern with other sources of energies	
BB4/Energy Efficiency		x							Energy conservation strategies should be required statewide	
BB4/Energy Efficiency		x							How will building blocks 3 and 4 be addressed in the state plan?	This will be an area of focus in Phase 2 and 3 of the Stakeholder meetings.
BB4/Energy Efficiency		x							Role of energy efficiency relative to CO2 reductions	
Cost		x							Co-op concerns regarding cost and economic development -- Arizona would have a bigger change in portfolio than other states	

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Cost		x							Co-op concerns regarding harsh climates (summer/winter)	
Cost		x							Co-op concerns regarding low income consumers	
Cost		x							Co-op concerns regarding nonprofit nature - costs \$32 million to convert to natural gas (narrow margin)	
Cost		x							Co-ops need glide path	
Cost		x							Cost of inaction	
Cost		x							Costs to businesses and consumers	
Cost		x							Economic analysis re: how regulations will impact Arizona	
Cost		x							Effect on water prices-- transporter is the largest power user	
Cost		x							Effects on single-asset utilities	
Cost		x							Energy use and production costs/benefits	
Cost		x							EPA appears to have failed to consider the impact of stranded investment resulting from premature replacement of coal generation	
Cost		x							EPA cost model: is it accurate and does it reflect transmission issues?	
Cost		x							Fails to consider remaining useful life of coal plants	
Cost		x							Federal support to help solve the major costs to the industry	
Cost		x							Financial hit on utilities?	
Cost		x							G & T co-ops -- co-op model (not for profit, member owned) -- building blocks	
Cost		x							G & T co-ops -- rural consumers and economies -- rate impact and ripple effect	
Cost		x							G & T co-ops remaining useful life of the plant -- interim goal	
Cost		x							Generation side as well as transmission	
Cost		x							How much will it cost to meet goals?	
Cost		x							Impact to electricity rate-payers outside Arizona, due to EPA's proposal for Arizona	
Cost		x							Low-income impacts -- cost of possible stranded assets?	

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Cost		x							Low-income impacts -- opportunities for increased EE/DR, targeted at households with the highest energy burdens?	
Cost		x							May need federal rule changes to allow other organizational structures for power development	
Cost		x							Need to look at long term cost impact	
Cost		x							Rate impact for rural poor	
Cost		x							Remaining life calculations	
Cost		x							Remaining useful life of coal-fired units	
Cost		x							Significant improvements of facilities	
Cost		x							Stranded debt especially for the rural electric cooperatives	
Cost		x							Stranded investment -- how to treat?	
Cost		x							Stranded investment in newer coal facilities/balance with societal health costs	
Cost		x							Stranded investments in electricity infrastructure	
Cost		x							Strategies to minimize costs	
Cost		x							What are the expected benefits of the CPP, and how will those benefits be allocated across customer classes/income levels?	EPA has provided this information in its proposed rule and supporting documentation. Please see <a href="http://www2.epa.gov/carbon-pollution-standards/clean-power-plan-proposed-rule-technical-documents">http://www2.epa.gov/carbon-pollution-standards/clean-power-plan-proposed-rule-technical-documents</a> for more information.
Enforcement		x							ADEQ needs to be clear	
Enforcement		x							Cross-state energy production/uses	
Enforcement		x							Enforcement for power users vs. incentives	
Enforcement		x							Enforcement of state EE and renewable standards	
Enforcement		x							How does it work in Arizona without central dispatch?	

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Enforcement		x							How will ADEQ address the issue of governance between the ACC and ADEQ when creating/enforcing requirements of building blocks 3 and 4?	ADEQ anticipates partnering with the Arizona Corporation Commission to ensure that the appropriate authority is used to both create and enforce the requirements of building blocks 3 and 4. Many states have been requesting additional guidance from EPA to better understand what EPA's requirements are for enforceability for these kinds of programs.
Enforcement		x							How will ADEQ, ACC, and SRP ensure that renewable and energy efficiency provisions are enforceable in Arizona's plan?	See above.
Enforcement		x							How will in-state resources and out-of-state resources be quantified?	ADEQ intends to use the same information that EPA used to develop the proposed program. States are asking many questions regarding the treatment of in-state and out-of-state resources, and EPA is soliciting comments on how best to address these issues.
Enforcement		x							Is there governance authority?	
Enforcement		x							Multi-tier	
Enforcement		x							Need collaboration, but someone must be responsible	
Enforcement		x							Need reliable base load	
Enforcement		x							Practicality/legality of operating BB2 at 70%?	
Enforcement		x							We have various organizations - some with constitutional powers; a quasi-public utility; and, department reporting to the governor	
General Goal Setting		x							A nuclear incentive already exists. It may not need to be included in the plan and could be treated as hydroelectric	
General Goal Setting		x							An interim goal prevents a crisis at the end	
General Goal Setting		x							Are we including the correct assumptions about future generating technologies?	
General Goal Setting		x							Do the EPA assumptions reflect Arizona's complexity and uniqueness?	
General Goal Setting		x							Do the EPA assumptions reflect the natural gas existing capacity?	

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General Goal Setting		x							Do the EPA assumptions reflect true current climate conditions?	
General Goal Setting		x							Each source has different attributes. Trade-offs include reliability/base/infrastructure	
General Goal Setting		x							End goal is wrong	
General Goal Setting		x							End goal will create massive change and expense	
General Goal Setting		x							Energy sustainability and consistency in meeting the goal proposed by EPA	
General Goal Setting		x							EPA's calculations determining Arizona's goal	
General Goal Setting		x							Existing nuclear power situation -- credit in 2012 and future impact	
General Goal Setting		x							Final goal is based upon a lot of inaccurate assumptions for Arizona	
General Goal Setting		x							How and who will decide the Arizona end goal?	
General Goal Setting		x							How can Arizona's plan be made more flexible to incorporate greater EE/DSM?	EPA's proposed Clean Power Plan offers States enormous levels of flexibility to demonstrate compliance with the established goals in any way so long as the State can demonstrate that the emissions reductions are quantifiable and enforceable.
General Goal Setting		x							How will pre-2017 reduction be factored into the plan? Will ADEQ request that pre-2017 efforts such as DSM be included into the EPA calculations?	Any reduction that occurs after June 18, 2014, and prior to 2017, is creditable under EPA's proposal. Phases 2 and 3 of the stakeholder meetings will help determine what measures ADEQ will seek credit for when developing the compliance strategy.
General Goal Setting		x							Hydro and different nuclear percentage should get more credit. 6% may hurt if Palo Verde Nuclear Generating Station is out for six months. Not sure adding simple cycle exclusions help. Tribal plant inclusion may not help. Storage issues	

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General Goal Setting		x							If Arizona goals are raised (with others) will result in national goal falling below 30%. Is an increase in goals realistic?	Arizona's current goals, as proposed, do not achieve EPA's goals of achieving affordable, meaningful carbon dioxide emissions reductions, while preserving the grid's reliability. Technical comments regarding this issue have already been sent to EPA, and verbal conversations with EPA staff indicate that they understand that there is a problem in Arizona. It is possible that changes can be made to the program to alleviate the issues that Arizona has identified, achieve EPA's stated goals, and still make meaningful carbon dioxide emissions reductions across the country.
General Goal Setting		x							If Arizona is committed and working together toward a goal, EPA can accommodate our needs	
General Goal Setting		x							Interim goal for 2020 isn't necessary. Without the interim goal, there would be more flexibility	
General Goal Setting		x							Keep as balanced an energy portfolio as possible. Look at all the environmental impacts of all sources, not just greenhouse gases	
General Goal Setting		x							May need flexible compliance strategies instead of a one size fits all approach	
General Goal Setting		x							Penalizes states with diversified generation portfolios -- of which Arizona is one of the more diversified	
General Goal Setting		x							Possibility that new combined cycle can help meet the interim goal	
General Goal Setting		x							Structure the goal along a logical glide path without a large interim goal	
General Goal Setting		x							The EPA formula results in one of the most aggressive end goals for Arizona	
General Goal Setting		x							The interim goal is necessary, but it should be open to change and offer flexibility, also focus more on energy efficiency	
General Goal Setting		x							Want goal to remain and not be lowered. We should discuss how to meet the goal	
General Goal Setting		x							Were all states' goals comparable? Compare CO2 per capita	

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General Goal Setting		x							What can the public do to support/oppose this rule?	Participate in stakeholder meetings; provide comments, ideas, potential solutions to ADEQ; write official comment letters to EPA.
General Goal Setting		x							What is a "glide path"? How would it be implemented if allowed?	The term "glide path" is used to describe a system of consistent emissions reductions that occur each year until the end result is achieved. This is usually accomplished by identifying the current environmental impacts (e.g., 1453 lb/MW-hr in 2015), the environmental impact goal (e.g. 702 lb/MW-hr in 2030) and then requiring the state's emissions rate to be reduced by something approaching a uniform rate over the compliance period.
General Goal Setting		x							What is the process/plan for correcting EPA's inaccurate assumptions affecting Arizona?	Provide comments to EPA demonstrating with data that the assumptions that EPA used for Arizona are inaccurate. All comments are due to EPA by December 1, 2014.
General Goal Setting		x							Will ADEQ request that some of the "excluded" plants be included into the "included" plants in order to reduce the reduction requirements of the Arizona goal?	Unlikely.
Infrastructure/Reliability		x							Balanced and diverse energy portfolio	
Infrastructure/Reliability		x							Concern transmission connectivity throughout state	
Infrastructure/Reliability		x							Reliability	
Infrastructure/Reliability		x							System reliability EPA's analysis fails to evaluate the reliability impacts of displacing coal with NG. Electric transmission and gas pipeline	
Infrastructure/Reliability		x							Technological feasibility of meeting the EPA target for Arizona	
Infrastructure/Reliability		x							Transmission -- coal retirement creates capacity, increase transmission efficiencies	
Infrastructure/Reliability		x							Transmission Constraints	
Infrastructure/Reliability		x							Unique method/strategies; incentives for solar	
Infrastructure/Reliability		x							Water supply -- increased capacity requires more water	

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Infrastructure/Reliability		x							Water supply -- location of the redispatch may not have water available	
Infrastructure/Reliability		x							Water supply -- recycling water at sites; dry cooling	
Legal		x							Enforcement outside the fence	
Legal		x							EPA overreach in terms of BBs 3 & 4 (regulation beyond actual CO2 regulation by required or allowing for RE & EE standards and programs)	
Legal		x							Need to respect jurisdiction of the federal and state agencies	
Legal		x							Outside the fence raises serious EPA authority issues	
Legal		x							Regulation should be a state responsibility	
Legal		x							What is the status of legal issue comments? Is the Attorney General's office heading up that effort?	ADEQ is consulting with the Attorney General's Office.
Legal		x							Which building blocks are considered to be "outside the fence"?	Only Building Block 1 is "inside the fence". All other Building Blocks are considered to be outside the fence because they require the shifting of, or elimination of, emissions from inside the fence line of the existing power plant, to another power plant that is outside the fence line.
Other Clean Air Act Programs		x							Any concerns with the increased natural gas use, increasing ozone and the possibility that EPA may change the ozone standards?	Yes, Arizona and many other States have brought this issue and the complicating factor of Ozone to EPA's attention.
Other Clean Air Act Programs		x							Changes to generators are subject to new source permits (NSR). Offsets to emissions will be needed; lack of available offsets; other manufacturers seeking offsets	
Other Clean Air Act Programs		x							Explore energy efficiency requirements instead of voluntary participation, e.g. Reno prohibited wood-fired fireplaces	
Other Clean Air Act Programs		x							Has EPA captured permit limitations?	
Other Clean Air Act Programs		x							Increase in emissions from existing units	

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Other Clean Air Act Programs		x							Interaction of changes to generation assets and nonattainment NSR (lack of offsets)	
Other Clean Air Act Programs		x							May reduce the need to redispatch or new generation through energy efficiency	
Other Clean Air Act Programs		x							Modeling doesn't reflect monitored emissions, not final determination of emissions	
Other Clean Air Act Programs		x							The impact the Clean Power Plan will have on current EPA FIPs/ADEQ SIPs for EGUs regarding regional haze and SO2, etc.	
Roles		x							IPP potential	
Roles		x							What is the role that IPPs (new source) have in helping the state meet the CPP goals?	Arizona and many States are seeking confirmation from EPA that new sources are regulated solely under Clean Air Act Section 111(b), and that they will not be counted under Section 111(d) programs.
Roles		x							What is the role that transmission developers have in bringing in renewables to help the state meet the CPP goal?	
Tribal Sources and Multi-State		x							Has ADEQ contacted neighboring states to attempt to work on a multi-state plan?	No formal contact has been made. There is just an understanding that other Western states are interested in pursuing some level of multi-state agreement.
Tribal Sources and Multi-State		x							Implications for existing EGUs located in the Navajo Reservation and Ft. Mohave Reservation	
Tribal Sources and Multi-State		x							When will ADEQ decide regarding regional vs. state? NGS?	Phase 2 and 3 will include discussions of both issues. Once the goal is settled, a decision will be more easily made. Arizona intends to work with the Navajo Nation regarding NGS.
Air Quality and Health Risks			x						Add medical cost of inaction to matrix: 62% of childhood asthma hospitalization and ER visits are paid by public tax dollars	
Alternatives			x						ADEQ should confirm that the "rate" to "mass" conversion is fair to Arizona and appropriate	
Alternatives			x						Are the calculations used rate-based or mass-based?	

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Alternatives			x						Are there opportunities for a BB5?	A BB5 is not necessary, since the proposal already allows compliance through CO2 emission reduction strategies that are not part of the 4 BBs.
Alternatives			x						Is there an alternative to the CPP?	No. If it is adopted as a final federal regulation, the state will either have to adopt and submit a plan that meets it's requirements, or EPA will adopt a federal plan for the state.
Alternatives			x						Need a range of alternatives -- explore options	
Alternatives			x						Should address not just air issues but unintended consequences to water and land, and the drastic shift of potential impacts on the environment	
Alternatives			x						The rule offers flexibility to consider other options	
BB2/Redispatch			x						Adding more natural gas to the system is a risk regarding cost fluctuations. Arizona should maintain a balance	
BB2/Redispatch			x						Fugitive gas from natural gas extraction may result in natural gas having worse climate change impacts than coal. Will Arizona's plan address this? If so, how?	This will be addressed in Phase II.
BB2/Redispatch			x						How to require merchant plants to redispatch in general when they already have capacity or contractual commitments?	
BB2/Redispatch			x						What is the mechanism for Arizona to weigh the risks of too much dependence on natural gas as a result of rule pushing toward natural gas?	If the interim goal problem is addressed, the rule will provide some flexibility to reduce the amount of redispatch from coal to natural gas assumed by EPA.
BB3/Renewable Energy			x						Are bio fuels/algae considered renewable?	They may be if EPA determines that burning the fuel is carbon neutral.
BB3/Renewable Energy			x						Arizona's actual renewable energy potential is nearly 10 times (NREL) what EPA indicated	
BB3/Renewable Energy			x						EPA needs to better define renewable energy. Wind and solar only?	
BB3/Renewable Energy			x						How will EPA deal with renewable energy goals which are not backed up by legislation? Ala SRP	

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BB3/Renewable Energy			x						If there is a SIP violation, would the utilities or others who didn't meet the goal or adhere to the plan be liable?	This is possible but will depend on the nature of the violation and the structure of the approved plan.
BB3/Renewable Energy			x						Will state get credit for exceeding renewable energy development goals?	Yes. The rule is structured so that exceeding the rate reduction required by any BB allows a state to achieve a lower rate reduction from one or more of the other BBs.
BB4/Energy Efficiency			x						Arizona can incorporate much more energy efficiency than BB4 calls for. Will you consider Arizona's potential for energy efficiency in setting Arizona's goal, specifically in BB4?	Yes.
BB4/Energy Efficiency			x						Arizona's energy efficiency potential is about three times that indicated by EPA (according to SWEEP 2012 Report)	
BB4/Energy Efficiency			x						Department should comment on getting more credit for being a leader in this area	
BB4/Energy Efficiency			x						Does Arizona get credit for current EE measures?	The proposal would give credit for EE measures implemented after 6/18/2014. EPA is seeking comment on whether measures implemented earlier than that should be credited.
BB4/Energy Efficiency			x						Given the opportunity for Arizona to begin counting energy savings as early as June 2014, what efforts are being made now to document and verify non-utility energy efficiency?	All Arizona utilities have extensive measurement and verification programs in place.
BB4/Energy Efficiency			x						Non-utility energy efficiency in BB4 can provide energy savings and emissions reductions to help Arizona exceed the 1.5% savings goal in BB4	
BB4/Energy Efficiency			x						Planning utility and non-utility energy efficiency efforts across multiple years for the future, so that they are and can be counted on	
BB4/Energy Efficiency			x						Should get more credit for prior to 2014 implementation	
BB4/Energy Efficiency			x						What about credit above 1.5%? Does EPA allow early credit? Can non-utility EE count, and would it be enforceable?	Yes to both questions.

Topic	Source								Comment	Response to Question
	9/3	9/10	9/24	10/29	Email	Letter	Phone	Other		
BB4/Energy Efficiency			x						Will measurement and verification for BB4 differ from what's currently employed by the ACC in the EERS? If so, what standard will be used and who will bear the cost of measurement and verification?	We are awaiting EPA guidance on this subject.
Cost			x						Cost of inaction (BAU)	
Cost			x						Costs are a function of arbitrary dates for interim and final goals, and disconnect from remaining useful life of large generating assets	
General Goal Setting			x						Allow a fleet wide emission goal for units under common ownership	
General Goal Setting			x						Arizona population growth is not uncertain. We know we will grow and keep growing	
General Goal Setting			x						Do some scenarios now and in the future impact our comments?	
General Goal Setting			x						EPA needs to allow state to make changes since it could not know details of efficiencies or merchant contracts when it set goals	
General Goal Setting			x						EPA's proposal for Arizona -- interim and final goals -- depends entirely on "outside the fence line" approach	
General Goal Setting			x						Has ADEQ evaluated an alternative interim goal (vs. no interim goal)?	ADEQ is considering a number of options for an alternative interim goal to propose to EPA.
General Goal Setting			x						Has ADEQ provided comments regarding anticipated growth, energy use, etc. that would impact the goal in general?	These considerations will be part of ADEQ's comments, but will probably be addressed more fully by the ACC and utilities.
General Goal Setting			x						Have you looked at the impact of an "early credit" for any of the building blocks, for example for BB4 (energy efficiency)?	Yes. ADEQ has made some attempts to model this impact.
General Goal Setting			x						Have you looked at the impacts and reduced cost implications of doing more than 1.5% savings for the energy efficiency building block (block 4)?	Yes. But ADEQ has not yet determined whether incremental savings above 1.5% are achievable over the long term.

Topic	Source								Comment	Response to Question
	9/3	9/10	9/24	10/29	Email	Letter	Phone	Other		
General Goal Setting			x						How best to explore/consider alternative mixes of the four building blocks to achieve at, or close to, the EPA's goals for Arizona at lower cost and with enhanced flexibility? Has ADEQ looked at some of these scenarios, possibly including a different approach to the interim goal?	One way to explore alternatives is to modify EPA's rate calculation spreadsheets.
General Goal Setting			x						How do cleaner fleets impact the goal?	
General Goal Setting			x						How would advances in greenhouse gas control technologies be addressed in the rule?	If they are used to reduce the rate of emissions from affected EGUs, they could be counted towards compliance. For example, EPA states that although IGCC is not considered BSER, replacement of existing fossil fuel generation with IGCC would be creditable.
General Goal Setting			x						If we use new control measures' credits, can we use those as credit?	Yes. See above.
General Goal Setting			x						Impacts of growth	
General Goal Setting			x						Is it realistic to be able to change the proposed rule?	Yes. EPA has expressed serious interest in addressing many of the concerns already raised by commenters.
General Goal Setting			x						Is the extension a given? Concerned about losing a year of compliance	This can be discussed in Phase II.
General Goal Setting			x						Large differences amongst Arizona utilities with regards to energy generation diversity. For example, TEP has no nuclear and far less gas generation, relying heavily on coal for its customers	
General Goal Setting			x						Offsets: Can we use offsets? Should offsets be authorized? Could we buy credits nationally or internationally to help reach the interim goal and retire them? Can we demonstrate any offsets would not be duplicative? What about credits for other sources?	There is no provision in the proposal for using offsets to comply.
General Goal Setting			x						Priority of comments – what is wrong/omitted in EPA assumptions?	
General Goal Setting			x						Retrofits and other means to comply should not make units subject to other rules (NSPS or PSD definitions of a modification)	
General Goal Setting			x						Rule should address end of pipe	

Topic	Source								Comment	Response to Question
	9/3	9/10	9/24	10/29	Email	Letter	Phone	Other		
General Goal Setting			x						Think from perspective of ADEQ and environmental protection. Be creative, do more talking about the future vs. short term impacts	
Infrastructure/Reliability			x						Our border with Mexico and the new natural gas pipeline to Mexico -- generation -- new NGCC built in Mexico and imported	
Legal			x						Can Arizona push technology through legal and financial incentives on industry, people, government, other systems?	
Legal			x						Do you plan to preserve the department's legal position?	Yes. At this time, ADEQ intends to submit comments on possible legal problems with the proposal.
Legal			x						Legal/regulatory authority of ADEQ to implement building blocks	
Legal			x						May want to hear statements from elected officials	
Legal			x						On what issues do we have agreement?	
Roles			x						ADEQ comments – how to balance comments with the political nature of the topic?	
Roles			x						Are there areas where stakeholders agree?	
Roles			x						Does EPA's analysis consider and what is the impact on a) natural gas prices driven by more demand, and b) availability of interstate gas pipeline capacity?	
Roles			x						How is the state or Arizona (ADEQ, ACC, IOUs) moving forward? What is the process?	
Roles			x						How will ADEQ move forward in this process now? IPP – ITP – roles	
Roles			x						How will agency deal with political aspect and determine its own voice?	
Roles			x						How will EPA's rule be applied to disparate coal plant owners? i.e. IPPs vs. utilities	
Roles			x						What role is the Technical Advisory Committee playing? What is the makeup of the group? Is anyone missing?	
Roles			x						When do we need to have rules in place?	

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	9/3	9/10	9/24	10/29	Email	Letter	Phone	Other		
Roles			x						Who makes the decisions balancing issues such as power cost, public health, and grid reliability?	
Tribal Sources and Multi-State			x						Is Arizona an attractive partner?	
Tribal Sources and Multi-State			x						Should a multi-national approach be considered? What if Mexico generated natural gas for Arizona?	
Tribal Sources and Multi-State			x						The ability for the state of Arizona to work WITH tribal communities via a regional plan/multi-state plan to address CO2 reduction for the ENTIRE state of Arizona	
Air Quality and Health Risks				x					The Earth may be beyond the tipping point regarding climate change	
Alternatives				x					Should look for win-win solutions like adaptation and mitigation	
Alternatives				x					Think we need to have nuclear	
BB2/Redispatch				x					The purchase, and retirement, of carbon credits must be a permissible strategy to reach compliance	
BB4/Energy Efficiency				x					Plan could provide a great opportunity to build on existing EE programs	
Cost				x					An increased cost to rate payers can also result in the opportunity for businesses to serve them	
Cost				x					Consider connections between health and cost to rate payer	
Cost				x					Consider impact to society versus impact to rate payer	
Cost				x					How do we compensate coal plants?	
Cost				x					Which utility rate payers would be most affected?	
General Goal Setting				x					Allow changes to be made in competitive environment	
General Goal Setting				x					An interim goal helps states get to their final goals	
General Goal Setting				x					An interim goal without legal ramifications would be no different than no interim goal	
General Goal Setting				x					Arizona should have a plan that is best for Arizona	
General Goal Setting				x					Balance AZ reductions between states to reflect our uniqueness	

Topic	Source								Comment	Response to Question
	9/3	9/10	9/24	10/29	Email	Letter	Phone	Other		
General Goal Setting				x					Ensure that stakeholders across the state are involved	
General Goal Setting				x					EPA should propose guidelines for states, as the statute requires, not state-specific goals	
General Goal Setting				x					Goal timing needs to change	
General Goal Setting				x					Greater flexibility to rely on BB3 and BB4, with a focus on addressing needs of low-income ratepayers	
General Goal Setting				x					If it is considered a benchmark, states could be rewarded for meeting their interim goal	
General Goal Setting				x					Interim goal helps Arizona focus on future technology	
General Goal Setting				x					Interim goal is needed, otherwise Arizona will be lazy regarding implementation	
General Goal Setting				x					Interim goal must have legal ramifications or it becomes meaningless	
General Goal Setting				x					Interim goal should be a guideline, not a legal requirement	
General Goal Setting				x					Mechanisms that provide for additional measures/compliance pathways if end goal is not met and demonstration of best practices/effort can be made	
General Goal Setting				x					Need clear timelines and must stick to them	
General Goal Setting				x					Need early action	
General Goal Setting				x					Need realistic targets/applicability	
General Goal Setting				x					Need strong achievement in CO2 reductions early to force action to start taking place	
General Goal Setting				x					Need understanding among stakeholders of what's reasonable	
General Goal Setting				x					Other pollutant reductions do not call for an interim goal	
General Goal Setting				x					Rate below any dispatchable form of energy	
General Goal Setting				x					States should set interim goal	
General Goal Setting				x					Stay inside the fence line	
General Goal Setting				x					Without an interim goal there would be added flexibility	
Infrastructure/Reliability				x					Affordability and reliability are benefits of a balanced portfolio	

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Infrastructure/Reliability				x					Energy assurance and resiliency are benefits of a balanced portfolio	
Infrastructure/Reliability				x					Extensive natural gas use would require substantial infrastructure, with more potential stranded assets	
Infrastructure/Reliability				x					NG relies on pipeline – does not offer the storage and energy assurance of coal	
Infrastructure/Reliability				x					Sustainability should be considered	
Legal				x					AG candidates say they will sue EPA – this would have massive effects	
Tribal Sources and Multi-State				x					A multi-state approach has been used in the past	
Tribal Sources and Multi-State				x					Areas that might work well with Arizona include: California, New Mexico, Nevada, wherever we sell power, Mexico, close neighbors, wherever renewable sources are located	
Tribal Sources and Multi-State				x					Arizona should have a plan that integrates with others for overall benefit	
Tribal Sources and Multi-State				x					Arizona should look for opportunities to work with other states for parts of the plan if not the entire plan	
Tribal Sources and Multi-State				x					Both pollution and power cross state lines, so should plans	
Tribal Sources and Multi-State				x					If the EPA administers tribes' plans, coordination could be complicated	
Tribal Sources and Multi-State				x					Immediately add tribal sources to the goal equations	
Tribal Sources and Multi-State				x					States might want to coordinate parts of plan with other states, especially renewable energy	