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Basin Electric Power Cooperative General Positions on EPA's Clean Power Plan October 23, 2014

Basin Electric Power Cooperative is a generation and transmission cooperative based in Bismarck, North Dakota. We serve more than 2.8 million consumers through 137 rural electric cooperatives across 9 states. We have a diverse energy portfolio including coal, wind, natural gas, and nuclear.

More than a decade ago, we built the first commercial-scale wind projects in the Dakotas. Commitment to the environment was one of our founding principles more than 50 years ago. Coal is still our primary fuel for base-load generation. Roughly 77 percent of the total energy Basin Electric provides to its membership comes from coal. The Clean Power Plan as proposed could have serious impacts on affordability and reliability of electricity we provide to our members.

EPA's proposed Clean Power Plan has raised many serious questions that could affect the way electricity is generated and consumed in the United States. These are areas where the EPA has not traditionally regulated before and where it lacks specific statutory jurisdiction. These matters are generally regulated by the Federal Regulatory Energy Commission and the relevant state public utility commissions or public service commissions.

Basin Electric Power Cooperative does not believe the Clean Air Act as currently written is the appropriate mechanism for regulating or controlling emissions of carbon dioxide. Given the lack of action by Congress to enact a reasonable and workable bipartisan approach to reducing CO₂ emissions, we are left with EPA regulation. The approach EPA has proposed under 111(d) is a novel one, and, assuming it survives legal challenges in the courts, we believe there are certain items that must be considered in order for it to be implemented properly:

1. Support the development of utility-based plans that allow utilities to move mega-watt-hours and associated emission rates generated by their facilities between states.
2. States should be allowed off-ramps from the rule due to electric system reliability or cost.
3. Remove the interim target goal deadlines and let states set the glide path to the final compliance date of 2030.
4. Allow all activity that captures carbon, including verifiable offsets, to count towards compliance goals.
5. Ensure that CO₂ emissions captured and sequestered from industrial facilities such as the Great Plains Synfuels Plant can be used toward compliance.
6. Delay the submission deadline for State Implementation Plans (SIP) until the legality of the rule has been determined by the courts.
7. Require a new time line for SIP submission and rule compliance, and an additional comment period if the final rule is significantly different from the currently proposed rule.
8. EPA should respect state primacy with respect to state implementation plans and let the states develop any plan or combination of solutions within a SIP to meet the proposed targets without limitation.
9. If a utility pursues power plant heat rate efficiency improvements and those improvements are approved by a state plan, the improvements should not trigger New Source Review.

For more information on the Clean Power Plan 111(d) go to:

www.basinelectric.com/EPA111d

To provide input to EPA regarding the Clean Power Plan, go to TellEPA.com to submit your comments.