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(602) 542-2237

ARIZONA CORPORATION COMMISSION

July 23, 2012

Mr. Jared Blumenfeld
Region 9 Administrator
U.S. Environmental Protection Agency
75 Hawthorne Street
San Francisco, CA 94105

Re: *Regional Haze Rule and EPA's Proposed Federal Implementation Plan (FIP)*

Dear Mr. Blumenfeld,

We object to the Federal Implementation Plan (FIP) that was recently proposed by the United States Environmental Protection Agency (EPA) to address the Best Available Retrofit Technology (BART) provisions of the Regional Haze Rule for three coal-burning, electric generating stations in Arizona: the Cholla, Coronado, and Apache generating stations. The FIP would inappropriately overrule a State Implementation Plan (SIP), interfere with Arizona's ability to make decisions regarding resources within our boundaries and increase costs to Arizona electric consumers without providing any perceptible visibility improvement.

The Arizona Corporation Commission regulates the state's investor-owned and cooperative utilities, including setting the rates paid by their customers. Accordingly, we are very concerned about federal actions that increase utilities' costs. While we appreciate the need to protect the environment—we have adopted a 15% renewable energy standard and a 22% energy efficiency standard, one of the highest in the nation—we strive to always ensure the costs of our environmental protection programs are commensurate with, and justified by, the environmental benefits they produce. We are concerned that EPA's proposed FIP ignores this principle.

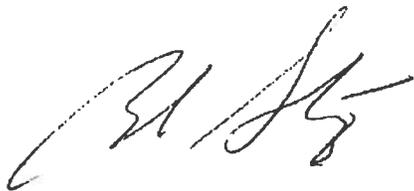
We are also deeply troubled by EPA's public process for the proposed FIP. While we appreciate the fact that EPA has already recognized failings in the process it initially proposed and granted an additional two weeks for public comment and added two hearings, one in Benson and one in Holbrook, we still find the revised process to be woefully inadequate considering the significance of this decision and the potential impact to the communities that are home to these plants. We remind you that the final rule was not available for public review until July 20th and that the technical support document was only made available on July 18th. The first public hearing is still scheduled for July 31st providing little more than a week for parties to complete their analysis of EPA's proposal and prepare responsive comments. To state it plainly, the initial "public process" EPA proposed for this matter was an embarrassment and a sham and would have effectively disenfranchised Arizonans from providing meaningful review and comment on EPA's proposed FIP. While an additional two weeks for public comment is an improvement, it is not sufficient towards addressing this matter in a way that is fully solicitous of public input.

We urge the EPA to withdraw the FIP for the three plants and work with ADEQ to remedy any deficiencies in the SIP.

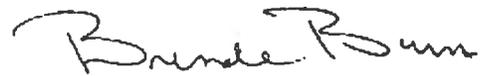
Sincerely,

Handwritten signature of Gary Pierce in black ink.

Gary Pierce
Chairman

Handwritten signature of Bob Stump in black ink.

Bob Stump
Commissioner

Handwritten signature of Brenda Burns in black ink.

Brenda Burns
Commissioner