

EPA-HQ-2015-008156 Interim 6

From: michael Goo [Ex. 6 - Personal Privacy]
Sent: Friday, May 10, 2013 5:27 PM
To: goo.michael@epa.gov
Subject: Fw: CSAPR Concerns

----- Forwarded Message -----

From: Michael Bradley <mbradley@mjbradley.net>
To: [Ex. 6 - Michael Goo]
Sent: Sunday, September 18, 2011 1:38 AM
Subject: FW: CSAPR Concerns

Michael,

Below is the message I have sent to Gina and Joe. I can be reached before 10:00 AM eastern time tomorrow morning and after 3:30 PM when I arrive in DC.

Michael

From: Michael Bradley [mailto:mbradley@mjbradley.com]
Sent: Sunday, September 18, 2011 1:35 AM
To: [Ex. 6 - Joe Goffman]
Subject: FW: CSAPR Concerns

Joe,

Would you please send this email on to Gina for me? I would have sent it to her directly with a cc to you but I don't have a private email address for her and would prefer to not use an official email address. Your calls to Eric and Bob were very helpful in reassuring them that EPA is looking to be responsive to their State budget concerns but time is becoming an issue and others within PSEG and NGrid are pushing for a clear resolution in the very near term. Thanks.

Gina,

As you know, many of the CEG companies have been having a series of conversations with EPA about the concerns on the final state budgets under the Cross-State Air Pollution Rule (CSAPR). The companies want to remain supportive of the final CSAPR because it is intended to reduce emissions. In general, the companies see the rule as improving on CAIR and being responsive to the D.C. Circuit's decision. However, we are continuing to identify errors in the final rule that we believe could undermine the legal stability of the rule. Our goal is to have a rule implemented that is legally sound, gives the industry the needed business certainty for investments in cleaner generation,

issue NextEra and others also raised during the comment period, and the inability of the model to make these adjustments significantly impacts the state allowance budget.

The concerns described above are creating a very difficult dynamic within the Clean Energy Group and for these individual companies to remain supportive of EPA's regulations. The approaches in the final rule appear to penalize the early investments many of the CEG companies made in anticipation of regulations. Additionally, the rule does not allow for economic growth as there is not updating of allowance allocations.

I am appreciative of EPA's efforts to try to make the necessary adjustments to state budgets that have clear errors while ensuring that any changes do not affect the timely implementation of the entire rule. The CEG members similarly want to make sure that right balance is struck so that the rule can remain effective in January 2012. Joe in particular has been very constructive in trying to find any appropriate solutions, but given the tight timeframe leading up to October 7th, I wanted you to be aware of the difficult position in which many of the CEG members are finding themselves.

Please do not hesitate to call me with any questions. I will be traveling tomorrow from the west coast to DC, arriving at 4:00 PM, and plan to be in DC all day on Monday and Tuesday. With the exception of the times when Sue Tierney, Paul Allen and I are presenting a Utility Toxics Rule briefing for House and Senate staff on Monday I'm available to discuss these issues with you and others.

Michael