

EPA Regional Haze Ruling Sets New Limit for NO_x Emissions

EPA leaves it up to cooperative how to achieve the standards

The U.S. Environmental Protection Agency ruled that the Apache Generating Station must meet a new lower standard for nitrogen oxide emissions within five years, without mandating the technology it must use to achieve it.

Both the short and long-term impact to operations will have to be re-analyzed, said Geoff Oldfather, manager of communications and public relations for Arizona's G&T Cooperatives, which includes Arizona Electric Power Cooperative, the company that owns the Apache Generating Station.

"This literally sends us back to the drawing board. We based most of our studies and financial impact models on the possibility the EPA would specifically mandate the use of selective catalytic reduction to achieve the new standard," Oldfather said.

The ruling says two of AEPCO's coal-fired generating units (ST2 and ST3) must achieve a 30-day rolling average of 0.07 pounds of NO_x/mmbtu—a unit of heat measurement that is directly tied to the output of the units. The current standard is .7 pounds of NO_x/mmbtu. MMBTU is 1 million British thermal units, which is the quantity of heat required to raise the temperature of one pound of water one degree Fahrenheit at a specified temperature.

The new standard is intended to cut down on regional haze that obscures views in Class-1 federal areas or national parks. Chiricahua National Monument is the closest national park to the Apache Generating Station.

AEPCO submitted a plan to reduce NO_x emissions and its contribution to regional haze by installing upgraded combustion controls to the Arizona Department of Environmental Quality. That would have cost an estimated \$21 million to install, as

opposed to \$171 million for selective catalytic reduction. ADEQ adopted AEPCO's proposal as part of Arizona's implementation plan. However, EPA stepped in and rejected it.

"Regardless of what technology we use to meet the new standard, it's going to have a hugely negative financial impact on plant operations and the mostly rural and economically disadvantaged rural customers who use its power" said Oldfather. "Even the ADEQ's studies show it won't make any difference to hikers or anyone else who is looking for improved visibility.

"We'll look at the viability of various pollution control technologies combined with operational options to achieve the reductions called for in this ruling. Regardless of how we do it, it's going to be expensive and will ultimately affect a disproportionate number of our customers who live at or below the federal poverty level."

Oldfather said between 25 percent and 30 percent of rural users of electricity are at that level, which for a family of four in the areas served by AEPCO is less than \$24,363 a year.

SCR technology, combined with combustion controls, may still be necessary to achieve the new level, Oldfather said, noting that would result in a minimum wholesale rate increase of 17.5 percent and a retail rate increase to member/customers of 12 percent to 20 percent.

Oldfather said Apache Generating Station and the G&Ts would continue normal operations.

"We're going to do what we've always done, and that is to act in a proactive manner to meet or exceed regulatory standards, while providing safe, reliable and affordable electric power to the rural members who rely on us," Oldfather said. ■



Join GCEC for the 65th Annual Member Meeting

Door prizes line the stage at the 2012 GCEC Annual Meeting. From left, Susan Romney, Secretary Tommy Clonts, Manager Steve Lines, Board President Gene Larson and AEP/CO CEO Patrick Ledger.

Graham County Electric Cooperative is gearing up for its 65th Annual Member Meeting Saturday, February 9, at 10 a.m. in the Pima School cafeteria.

Do not miss out on the opportunity to participate in the one-member, one-vote process that sets co-ops apart from other business models.

The process of electing directors has begun. Petitions for those wishing to run for seats had to be turned by close of business January 3. Incumbents running for re-election are Reuben McBride, District 1, Robert Reed, District 2 and Tommy Clonts, District 3.

Ballots will be mailed to members the week of January 14 and must be returned to the office by noon February 7.

As members, it is important to vote,

even if candidates are unopposed.

Election results will be reported by the election committee chairperson at the meeting, along with reports from Board President Gene Larson and General Manager Steve Lines with guest reports from the Generation and Statewide organizations, Arizona Electric Power Cooperative and Grand Canyon State Electric Cooperative Association.

Make plans now to be there to hear how you can be a vital part of the ongoing grass roots advocacy to ensure our voices are heard on a level that could make a difference in our rates. Come to share your opinions, concerns or to win one of the many door prizes to be awarded throughout the meeting. We look forward to seeing you there. ■



Guests look as Raul Maza, Tab Black and Weston Wiltbank of Solomon's Boy Scout Troup 5021 present the colors.



Graham County Electric Cooperative Benefits Administrator/Executive Assistant Susan Romney, right, helps prepare new team member Diane Junion to take over following Susan's retirement.

A Fond Fairwell and a Happy Hello

It is with great reluctance that we announce the retirement of Susan Romney from Graham County Electric Co-op. She has been a very valued employee and is leaving GCEC this month.

Susan started working in the utility business in 1986 when she began working for General Utilities. The gas and water company was owned by the Fredrickson Family and was located across the street from the Co-op.

“When I began working for General Utilities the billing was done on an old, antiquated hand-operated billing machine and each late notice was written by hand,” recalls Susan.

She has seen many changes throughout her 26-year career. In 1989, Graham County Electric Co-op purchased General Utilities.

“It was a short walk across the street when the co-op bought the gas and water company, but a giant leap into the 20th century and the world of computers,” says Susan.

Susan has worn many hats throughout the years.

She began as a human resources assistant and clerk. Currently she performs the duties of human resources, benefits administrator and executive secretary to the board of directors and General Manager Steve Lines.

Although Susan's talents will be missed, we are fortunate to have Diane Junion join our team. Diane is a familiar face in the community. Formerly a branch manager and business development officer at Arizona State Credit Union, Diane brings to the team a commitment to serving our members and community.

Susan says although she will miss the co-op family and the associations she has had with the members, she is excited to begin this new chapter. She looks forward to having more time to enjoy the simple things in life: family—especially the grandchildren—yard work and working on her genealogy. We would like to thank Susan for the many years of dedicated service and wish her a happy retirement. ■



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Our Energy is Our Future; We Need Your Help to Keep it Affordable

In reference to the article on page 4 of this magazine, I am asking for your help. It seems everywhere we turn these days, big government is in our business, making everything we do more difficult and expensive.



Steve Lines

I certainly do not disagree that we must have responsible management of the environment, but, seriously, is the view from the top of the Chiricahua Mountains, that studies have shown is not adversely affected by emissions from our power plant anyway—more important in this economy than having food on the tables of our members? For those who are already struggling in this distressed economy, I fear a rate increase would have that kind of impact.

Our members are the reason we have a cooperative and it is vital that you play an active role in the affairs that will likely impact your rates. The “Our Energy, Our Future” campaign continues to be a vital link between legislators and citizens like you who are concerned about the decisions our country is making that will eventually affect your electric rates.

I appreciate those of you who joined in our grass roots advocacy before, asking legislators to work with us. Your voices were heard in Congress. That nationwide effort sent millions of letters, postcards and emails to elected officials in Washington, D.C.

The article on page 4 addresses the recent ruling issued by the US Environmental Protection Agency requiring our power

supplier, Arizona Electric Power Cooperative to reduce nitrogen oxide emissions from .7 to 0.07 pounds of NOx per mmbtu within a five-year period. This ruling, which will cost millions and adversely affect everyone purchasing power from Graham County Electric Cooperative and all other AEPSCO member co-ops, was not decided because of any health risk to citizens. Its sole purpose is to prevent any haze that might cloud the view for tourists visiting our national parks.

Arizona Department of Environmental Quality studies have shown that compliance with the new ruling, however it is done, will have no impact on visibility. Natural causes such as dust from the desert and back country roads cause more regional haze than the coal generation plant.

As Geoff Oldfather stated in the article, AEPSCO proposed a plan to comply with new standards that would cost an estimated \$21 million. The proposal was approved by the ADEQ. Then the EPA stepped in and rejected the plan. In my opinion, this is the continuation of the Obama administration’s cap and trade war on coal plants and could have a huge impact on our power costs.

So I am asking for your help again. Please make your voices heard by joining the “Our Energy, Our Future” campaign. Visit www.ourenergy.coop, click the “Sign Up” tab and enter your information. There will be a pre-scripted message and also space for you to write your own personal message, if desired.

Please take the time; add your voice to other rural co-op members across the country. We need to be heard by those who can make a difference.