ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature – First Regular Session

COMMITTEE ON ENERGY, ENVIRONMENT AND NATURAL RESOURCES

Report of Regular Meeting
Monday, February 9, 2015
House Hearing Room 1 -- 2:00 p.m.

Convened 2:51 p.m.
Recessed
Reconvened
Adjourned 3:40 p.m.

Members Present	Members Absent
Mrs. Barton	
Mrs. Carter	
Mr. Clark	
Mr. Finchem	
Mr. Leach	
Mr. Saldate	
Ms. Steele	
Mr. Bowers, Vice-Chairman	
Mr. Pratt, Chairman	

Request to Speak
Report – None

Presentations

Name	Organization	Attachments (Handouts)
Henry Darwin	Arizona Department of Environmental Quality	1

Committee Action

Bill	Action	Vote	Attachments (Summaries, Amendments, Roll Call)
None			

Angela Diaz

Angela Diaz, Chairman Assistant
February 10, 2015

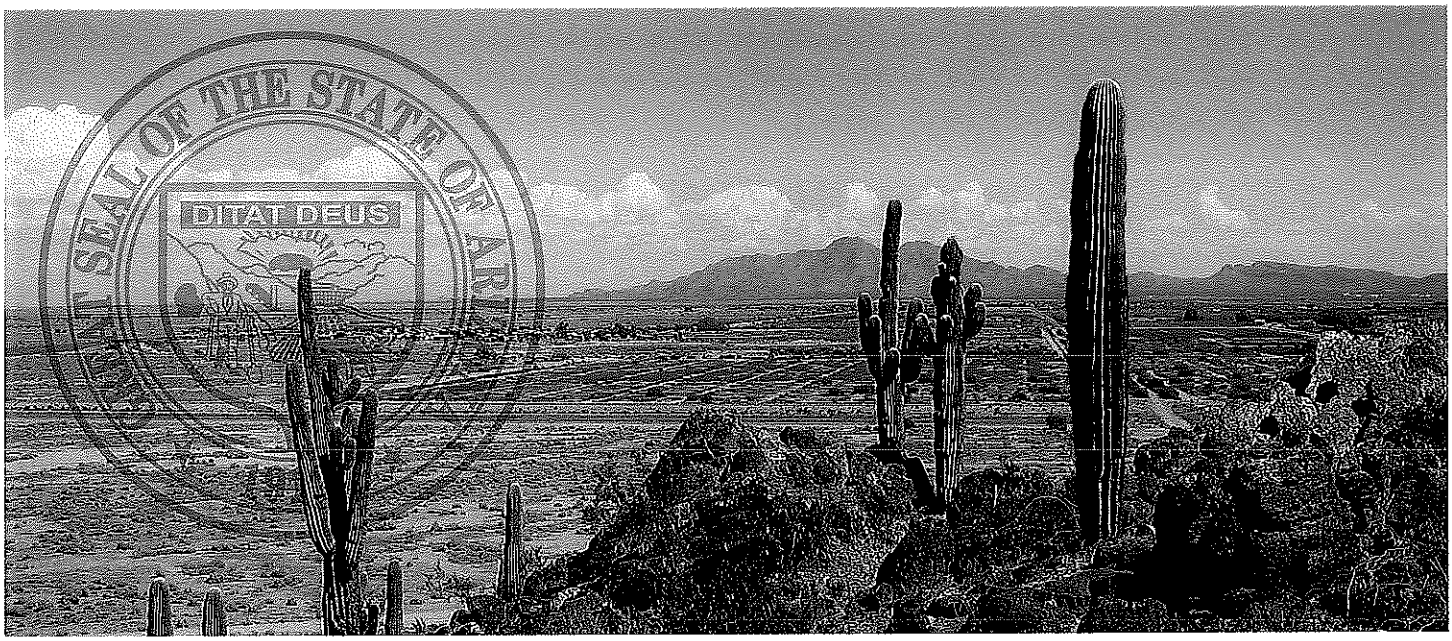
(Original attachments on file in the Office of the Chief Clerk; video archives available at http://www.azleg.gov)

ADEQ Arizona Department of Environmental Quality

ACTION ITEMS UPDATE

February 9, 2015

House Energy, Environment and Natural Resources Committee



EPA CLEAN POWER PLAN

The EPA announced on June 2, 2014 proposed rules requiring states to develop plans to reduce carbon dioxide (CO_2) from existing fossil fuel fired power plants. The nationwide CO_2 emissions reduction goal is 30% below 2005 emission levels, but Arizona has the second highest goal in the country at 52% reduction.

It is important to note that Arizona's goal excludes the Navajo Generating Station (NGS). Under the Clean Air Act, Reservations and the sources on them are the jurisdiction of EPA unless the tribe submits and receives EPA's approval for treatment as a state. NGS is an important part of Arizona's energy mix as it is the primary source for the energy that delivers water to the valley. The changes that will occur at NGS for Regional Haze will be more than enough to cover the emissions reductions that are proposed in the Clean Power Plan.

The EPA calculated individual state goals by looking at the state's mix of existing power sources and its ability to reduce CO_2 levels using a combination of measures called "building blocks." The proposed rules would require Arizona to reduce its carbon intensity to 702 lbs/MWh by 2030.

Current ADEQ Action

The EPA closed the comment period for the proposed CO_2 rule in December, with ADEQ and other stakeholders contributing comments to explain the particular challenges Arizona would face under the proposed rule. After the EPA releases the final rule in mid-summer, ADEQ and other interested parties will work to develop a plan by the summer of 2016.

Timeline

Summer 2015 – EPA to issue final rule/Propose Federal plan
Summer 2016 – States submit plans

Attachment 1

OZONE

On November 25, 2014, in compliance with a Consent Decree, EPA proposed to change the existing national, health based standard for ozone air pollution concentrations, reducing the existing standard from 75 parts per billion (ppb) to a value between 65 and 70 ppb. In Arizona, only Maricopa County exceeds the current standard of 75 ppb. However, nearly all Arizona counties would exceed the proposed new standard, and the economic consequences could be significant because the remaining counties lack cost effective control measures to achieve attainment. In addition, with the new lower ozone standard, Arizona will have areas with unhealthy air and a lack of workable solutions. This could lead to potential economic sanctions and additional High Pollution Advisory designations.

Current ADEQ Action

Once EPA sets a level of the standard, States have one year to make a recommendation on the how to classify the air quality throughout the State. EPA generally takes one year to make designations of air quality based on the State's recommendations. States generally have three years from EPA's designation of the air quality to submit a State Implementation Plan that will reduce the concentration of ozone in the area.

Timeline

November 2014 – EPA proposed change to health-based standard
March 2015 – Comment deadline
October 2015 – EPA will finalize rule

WATERS OF THE U.S.

The EPA is seeking a rule change regarding the definition of Waters of the United States under the Clean Water Act due to conflicting U.S. Supreme Court decisions that have resulted in considerable confusion over what waters are jurisdictional under the Act. Specifically, unclear definitions in the exiting rule have led to costly (time and money) case-by-case jurisdictional decisions. The rule change is intended to provide clarity to regulators and the regulated community regarding which water bodies are jurisdictional and what discharges are subject to permitting requirements.

Current ADEQ Action

ADEQ supports common sense environmental regulations that improve the environment and regulations that clarify requirements, increase consistency in their application and improve predictability.

EPA's proposed rule as developed and currently drafted may add to the confusion over the definition of Waters of the U.S. rather than provide clarity. The lack of meaningful consultation with Arizona and other states prior to issuing the rule will not help the agencies meet the goals of the rulemaking.

Further, EPA erodes confidence that the proposed rule is supported by peer reviewed science by filing notice of its proposed rulemaking before finalizing and accepting public comment on the underlying report, *Connectivity of Streams and Wetlands to Downstream Waters: A Report and Synthesis of the Scientific Evidence (September 2013 External Review Draft)*. For these reasons, ADEQ has requested that the proposed rule be withdrawn and that the process be resumed only after meaningful consultation with states as co-regulators.

Timeline

April 21, 2014 – Notice of proposed rulemaking published
October 20, 2014 – Comments due
April 2015 – EPA final rule to be published with changes in response to public comment

---

ADEQ
Arizona Department of Environmental Quality

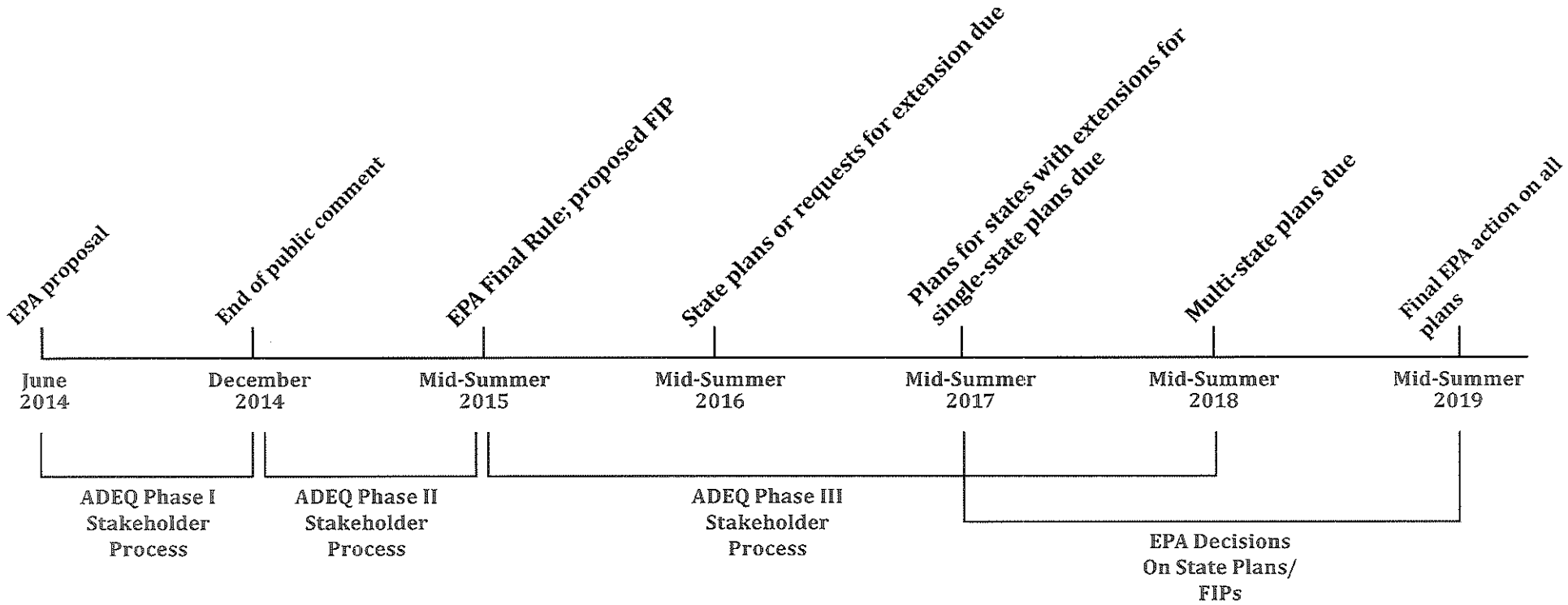
For further inquiries:

Henry Darwin at (602) 771- 2204 or email at *darwin.henry@azdeq.gov*
Beth Hager at (602) 771-2219 or email at *hager.beth@azdeq.gov*

ADEQ Arizona Department of Environmental Quality

EPA CLEAN POWER PLAN

February 9, 2015



Plan Compliance Period
January 2020 – December 2029