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DISTRICT 1

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November 13, 2013

Anita Lee (Air-2)
U.S. Environmental Protection Agency Region 9
75 Hawthorne Street
San Francisco, CA 94105-3901

RE: EPA-R09-OAR-2013-0009

Dear Dr. Lee,

As an elected representative from Arizona's Legislative District 1 and as Speaker of the Arizona House of Representatives, I would like to formally submit my opinion on a significant issue facing the future of Arizona; that is, the continued operation of the Navajo Generating Station (NGS). Although NGS is located in northern Arizona, its operation impacts the economy of the entire state.

NGS provides reliable and affordable water and energy to Arizona residents, tribes, businesses, agricultural interests and other key industries in the state. NGS is at the center of the Central Arizona Project's (CAP) ability to deliver affordable Colorado River water to the state; it is at the center of the agriculture industry's ability to rely less on mined groundwater; and, it is at the center of Tribal water rights agreements with the federal government and a promise to provide a reliable water supply to these people. These are just a few examples of the NGS fabric that is woven throughout the state. Today, however, what jeopardizes NGS' existence and the many benefits Arizona citizens derive from it is, over burdensome regulation by the U.S. Environmental Protection Agency (EPA). It is not an understatement to say that this regulation threatens to shut down NGS.

Early this year, your agency issued a proposed regional haze rule aimed at improving air visibility that sets one of the most stringent standards to control nitrogen oxides (NOx) emissions in the nation. The EPA's proposed rule would require installation of costly controls in an impracticable timeframe, despite scientific evidence that shows such control would not appreciably contribute to better air quality, nor improved visibility. What's more, NGS owners have already spent a small fortune to voluntarily install low-NOx burning technology that already improves the air at NGS.

EPA's proposed Best Available Retrofit Technology (BART) determination for NGS and "Better than BART" alternative contained in the proposed rule will cost between \$550 million and \$1.1 billion. This kind of money would place a tremendous economic burden on energy users in Arizona, including water users that take CAP water. More than 90 percent of CAP's pumping power comes from NGS. These costs get passed down and will have an extremely detrimental effect on Arizona businesses.

I have spent my entire professional life looking for ways to foster friendly environments for businesses to grow and prosper, especially here in Arizona. As a business consultant and owner myself, I can tell you multi-billion dollar companies such as Lockheed Martin will not relocate to Arizona if there are any uncertainties with regard to the availability of affordable energy and water in the desert. The costs associated with EPA's proposed BART determinations for NGS will cripple existing Arizona businesses and completely deter others from participating.

Amid this potentially dire situation, there is a solution. I am encouraged that EPA acknowledged the merits of the compromise developed by the Technical Work Group, or TWG, and decided to formally publish the TWG provisions in a Supplemental Proposal issued last month. CAP along with the Gila River Indian Community, the Navajo Nation, Salt River Project, the Environmental Defense Fund, the U.S. Department of the Interior and Western Resource Advocates sat down and together developed a reasonable alternative to EPA's determinations. This alternative proposal provides a pathway to continued operation of NGS in a manner that will appropriately reduce and delay expenditures. It addresses the uncertainty of future ownership divestiture by the Los Angeles Department of Water Power and Nevada Energy. In short, it balances environmental concerns with the continued availability of vital power and water resources for the state.

The future economic well-being of Arizona, including the Navajo and Hopi people who depend on NGS for jobs and other revenues, hinges on EPA's decision to adopt a responsible and economically feasible haze rule for NGS. As a business owner, elected official, and citizen of the great State of Arizona, I urge the EPA to adopt the TWG BART Proposal as the final regional haze rule for NGS.

Sincerely,

A handwritten signature in cursive script, appearing to read "Andy M. Tobin".

Andy M. Tobin
Speaker of the House
Arizona House of Representatives