

North Carolina Association of Electric Cooperatives, Inc.
("NCAEC")

Comments on
Proposed Carbon Pollution Emission Guidelines for Existing Stationary
Sources: Electric Utility Generating Units

Submitted Electronically to:
The Environmental Protection Agency
Air Docket
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NCAEC is pleased to comment on the Environmental Protection Agency's (EPA's) proposal for Carbon Pollution Emission Guidelines for Existing Stationary Sources in the Electric Utility Generating Units category, 79 Fed. Reg. 34,830 (June 18, 2014) (hereinafter the "Proposed Rule"). NCAEC is a member of the National Rural Electric Cooperative Association (NRECA) and supports the comments and recommendations submitted by NRECA in this rulemaking. In addition, NCAEC has specific comments about two areas of the Proposed Rule related to Building Blocks 3 and 4 (Renewable Energy Generation and Energy Efficiency).

State-Approved Renewable Energy and Efficiency Portfolio Standards

North Carolina has adopted a state-mandated Renewable Energy and Energy Efficiency Portfolio Standard (REPS). Under this program, electric utilities in North Carolina are required to meet up to 10% of their energy needs through renewable energy resources or energy efficiency measures by 2018. North Carolina's REPS requirement is mandated by law, administered by the North Carolina Utilities Commission, and tracked through the issuance of Renewable Energy Certificates (RECs). The EPA should also accept the methods of evaluation, monitoring and verification for renewable resources and energy efficiency that North Carolina has adopted as part of its REPS without any modifications.

Since North Carolina has already adopted its own REPS, the EPA should not supersede these goals and impose additional or different requirements on the state. Stakeholders in North Carolina spent an enormous amount of time and effort to reach agreement on the goals established by the REPS. The stakeholders undertook a process to produce a REPS that would reflect the particular characteristics and needs of North Carolina. There are no better judges of what a particular state needs in terms of an REPS than the state's stakeholders. EPA should

honor the processes in which North Carolina stakeholders engaged to produce a REPS Law and, therefore, should not impose any additional requirements.

Out-of-State Nuclear Generation Considerations

States that own and import generation from a nuclear facility that is located in another state should get credit as if the nuclear generation is located within the state receiving the import. Utilities and customers in the importing state have made significant financial investments in these nuclear units and should receive appropriate credit for developing nuclear generation. This treatment of nuclear units, located outside the state such units serve, also ensures that the customers who are actually using the generation will receive benefits associated with nuclear generation under the Proposed Rule. This is a fair methodology that would credit those states that made an investment in carbon-free nuclear generation without harming exporting states.

We urge EPA to adopt these two changes which will better reflect the advances North Carolina has already made in incorporating renewables and energy efficiency programs into the state's energy portfolio and will properly account for the significant investment North Carolina's citizens have already undertaken to develop nuclear power to meet the state's energy needs. Thank you for your consideration.