Message

From: Blake Pinkerton [BPinkerton@aeci.org]
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To: AirAction [AirAction@epa.gov]
Subject: Presidential Exemption: NESHAP MATS Rule, Thomas Hill Energy Center and New Madrid Power Plant

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Associated Electric Cooperative Inc. is preparing to request a Presidential Exemption under Clean Air Act Section 112(i)(4) in response to the EPA's call for justification from affected facilities. This exemption allows up to a two-year compliance waiver for stationary sources if required technology is unavailable and national security interests are met, with a possible two-year extension. The EPA is reconsidering the NESHAP rules, including the MATS Rule, and has requested submissions by March 31, 2025. We are submitting the following request and welcome any feedback.

Emissions standards/limitations subject to this request:
MATS Rule:

- fPM (Paticulate Matter) Emission standard (limitation) 0.01 lb/mmBtu (lowered from 0.3 lb/mmBtu)
- Requirement to no longer allow stack testing to demonstrate compliance but rather require a utility to install and maintain a PM CEMS (Continous Emission Monitor) to demonstrate compliance
- The removal of the fPM Low Emitting EGU (LEE) program.

Affected Facilities/sources:

- Thomas Hill Energy Center
  - Unit 1 (EP-01) Coal Fired Cyclone Boiler
  - Unit 2 (EP-02) Coal Fired Cyclone Boiler
  - Unit 3 (EP-03) Pulverized Coal Fired Tangential Boiler
- New Madrid Power Plant
  - Unit 1 (EP-01) Coal Fired Cyclone Boiler
  - Unit 2 (EP-02) Coal Fired Cyclone Boiler

Length of Compliance period requested:

- Requesting a 2-year extension from the original compliance date of July 8, 2027 per the presidential exemption process allowed in the Clean Air Act section 112 (i)(4).

Response on the Feasibility and National Security Risks of PM CEMS in the MATS Rule for Associated Electric Cooperative Inc (AECI).

Technical Infeasibility of PM CEMS for AECI's Generation Fleet

1. **Unproven Accuracy and Reliability in AECI's Coal-Fired Plants**

Associated Electric Cooperative Inc. (AECI) operates a diverse generation fleet, including coal-fired power plants that provide critical baseload power to its member cooperatives across Missouri, Iowa, and Oklahoma. PM CEMS technology has not been proven to provide consistently accurate measurements across varied plant configurations and coal types used by AECI, making it an unreliable tool for regulatory compliance. The inherent

variability in coal composition and plant operating conditions results in fluctuating PM CEMS readings that lack the precision required for enforcement.

2. **Significant Calibration and Maintenance Burdens for AECI's Facilities**

Unlike larger investor-owned utilities with extensive technical resources, AECI's plants serve a cooperative model where efficiency and cost-effectiveness are paramount. PM CEMS require frequent manual calibrations, maintenance, and specialized expertise to function properly. Given the rural locations of many AECI facilities, securing qualified technicians to meet compliance demands would create logistical and financial burdens that strain cooperative operations.

3. **Redundancy with AECI's Existing Emissions Control Investments**

AECI has already invested in state-of-the-art emissions control technologies, including electrostatic precipitators, which effectively reduce particulate matter emissions well below regulated thresholds. Requiring PM CEMS on top of these systems would provide little environmental benefit while imposing excessive compliance costs that do not align with AECI's mission to provide affordable and reliable power to its members.

4. **Unattainable Emission Control Upgrades Threaten AECI's Compliance and Grid Reliability**

The stricter PM limits in the MATS Rule pose a significant challenge due to the unavailability of essential emissions control upgrades like Electrostatic Precipitators (ESPs) and Baghouses. Supply chain disruptions, extended lead times for manufacturing, and a shortage of specialized labor make it nearly impossible for AECI to procure and install these technologies within the required timeframe. Additionally, the high costs and prolonged downtime needed for retrofitting, place a heavy financial burden on AECI and its member cooperatives. Without feasible access to these upgrades, AECI risks potential plant shutdowns, jeopardizing grid reliability and affordable power for rural communities.

5. **Excessive Costs for AECI and Its Member Cooperatives**

As a generation and transmission cooperative serving six regional cooperatives and 51 member-owned distribution cooperatives, AECI operates on a not-for-profit basis. Any additional compliance costs must be passed directly to its member cooperatives, affecting rural communities, farms, and small businesses already facing economic pressures. Installing and maintaining PM CEMS across AECI's coal fleet would require millions in unnecessary expenditures, diverting funds that could otherwise be used for grid modernization and reliability improvements.

Threats to National and Regional Energy Security

1. **Grid Reliability Risks for Rural Missouri, Iowa, and Oklahoma**

AECI's coal-fired plants provide critical baseload power that ensures reliability for the cooperative's member-owners, particularly in rural areas where energy demand fluctuates with agricultural operations and seasonal weather patterns. Prematurely retiring these plants due to unworkable PM CEMS mandates could lead to grid instability, blackouts, and increased reliance on intermittent generation sources that do not provide the same level of reliability.

2. **Increased Dependence on Natural Gas and Market Volatility**

Forcing AECI to phase out coal due to infeasible monitoring requirements would push the cooperative to rely more heavily on natural gas, which is subject to volatile pricing and supply chain constraints. AECI has already experienced challenges with natural gas supply during extreme weather events, such as Winter Storm Uri, which underscored the importance of fuel diversity. Eliminating coal-fired generation without a feasible replacement would expose AECI's members to higher electricity costs and supply shortages.

3. **Supply Chain Risks Due to Foreign Dependence on PM CEMS Technology**

Many of the critical components required for PM CEMS are sourced from foreign manufacturers, increasing AECI's dependence on unreliable supply chains. Given the current global landscape, requiring these systems

introduces unnecessary vulnerabilities that could disrupt compliance efforts and lead to operational shutdowns due to component shortages or delays.

4. **Impact on National Security Infrastructure and Military Installations**

AECI supplies power to critical infrastructure, including military bases and defense-related industries in its service territory. Any regulatory requirement that forces premature retirements or operational shutdowns of AECI's baseload generation could compromise energy security for these facilities, increasing the risk of operational disruptions. Ensuring the reliability of energy supply is vital for national security, and PM CEMS mandates threaten that stability without providing meaningful environmental benefits.

For AECI, the PM CEMS requirements in the MATS rule present both technical and national security risks. The technology is unreliable, cost-prohibitive, and redundant given the cooperative's existing emissions control measures. Furthermore, the impact on grid reliability, increased dependence on volatile energy markets, and risks to national security make this mandate an unjustified burden on AECI and its member cooperatives. A balanced regulatory approach that accounts for the unique structure of AECI's cooperative model and the critical role its baseload generation plays in maintaining energy security is essential to ensure compliance without jeopardizing affordability and reliability for rural communities.

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