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THE MARYLAND GENERAL ASSEMBLY  
ANNAPOLIS, MARYLAND 21401  
ALLEGANY COUNTY DELEGATION

January 17, 2014

Robert M. Summers, Ph.D.  
Secretary  
Maryland Department of the Environment  
Montgomery Business Park Center  
1800 Washington Boulevard  
Baltimore, Maryland 21230

**Re: Draft Regulations – NO<sub>x</sub> Emission Limitations  
New COMAR 26.11.38**

Dear Secretary Summers:

On behalf of the Allegany County Delegation, this is written to express our opposition to the draft regulations (dated December 11, 2013) of the Maryland Department of the Environment (“MDE”) seeking to impose certain NO<sub>x</sub> emissions limitations on certain electric generating units located in Maryland (the “Draft Regulations”). Specifically, the Delegation opposes these Draft Regulations due to their substantial, serious and negative impact on coal fired generation in MD and in particular the AES Warrior Run (“WR”) facility located in Cumberland. For the reasons explained below, the Delegation respectfully requests that MDE revise its Draft Regulations to either: remove WR from the list of affected electric generating units or, in the alternative, modify the proposal to reduce its impact on WR in recognition of the facility’s existing very low NO<sub>x</sub> emission requirements.

In mid-1990’s, AES was deciding where to build a new clean-coal technology, electric co-generation facility. At that time, Maryland state and local government officials convinced AES to build the WR facility in Cumberland – an area in desperate need of economic development and jobs. In short, the decision by AES to build the WR facility in Maryland was a prime example of state and local government working together successfully to attract business to this State.

AES designed and built the 180 MW facility *specifically* to combust Maryland-mined coal, which the company agreed to purchase from local Maryland coal mines. Moreover, the WR facility was built with state-of-the-art emission controls (e.g., fluidized bed combustion technology, selective non catalytic reduction (SNCR) NO<sub>x</sub> control, CO<sub>2</sub> capture, limestone injection for SO<sub>2</sub> emissions, and fabric filter bag house, etc.). WR commenced commercial

Robert M. Summers, Ph.D.  
January 17, 2014  
Page two

operation in 2000 and since then has been one of the cleanest coal-fired power plants in the United States. For example, we understand that the annual NOx emissions from WR account for no more than approximately 2% - 3% of total NOx emissions from all electric generation facilities in Maryland.

Notwithstanding its exemplary and demonstrated performance in limiting emissions, we understand that the Draft Regulations would require WR to further reduce its currently very low NOx emissions by another 83% (a much larger percentage decrease than any other of the affected facilities). We further understand that the cost to AES to install additional NOx reduction technology to meet these proposed regulations would run into the tens of millions of dollars. We fail to follow the logic in placing such an extreme and expensive burden on a low emission facility such as WR when any resulting incremental NOx reductions will be miniscule at most and will not address the actual issues that prevent Maryland from meeting national ambient air quality standards. Any cost/benefit analysis reveals that the “juice is not worth the squeeze.”

We are seriously concerned about the impact the Draft Regulations would have on the WR facility. If the WR facility is not able to operate because of the Draft Regulations, approximately 60 full-time employees will lose their jobs. Moreover, the ancillary businesses that support the WR facility e.g., coal miners, trucking companies, equipment service/repair stations, etc.) will very likely disappear. Mining facilities in Allegany and Garrett Counties employ an estimated 560 workers and are responsible for another 2,800 spin-off jobs. Obviously, a shut-down of the WR facility will have a devastating effect on the Western Maryland economy – which is already struggling. Given the fact that emissions from the WR facility contribute almost nothing to Maryland’s ozone depletion and pollution problems, we question the need to include the WR facility in the Draft Regulations in the first place.

More generally, coal-fired electric generation facilities in Maryland have already done their fair share to help reduce ozone precursor emissions. Maryland generators have invested billions of dollars in emission control equipment in response to various federal and state regulations (e.g., Clean Air Interstate Rule, Healthy Air Act) resulting in a total NOx reduction of greater than 80% - the largest of any state in the nation. For the next step, MDE must work with the federal government and upwind states to address the pollution from other states that is blowing into Maryland. Further intrastate reductions if enacted will have a serious impact on Maryland with little to no realized benefit.

Robert M. Summers, Ph.D.  
January 17, 2014  
Page three

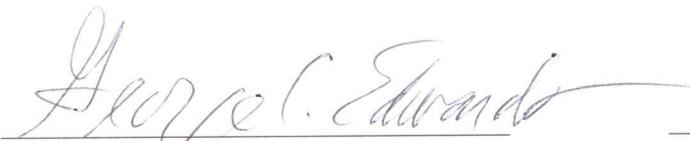
In summary, we respectfully request that MDE either remove WR from the list of electric generating units subject to the Draft Regulations or limit the impact of the proposal on WR to a more reasonable and realistic level for the following reasons:

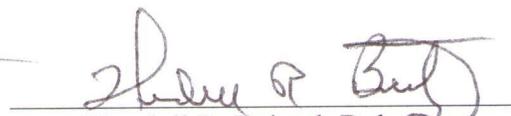
- The WR facility currently is equipped with state-of-the-art emission control technology and its emissions contribute almost nothing to the total NOx emitted from all Maryland power plants;
- The Draft Regulations would require WR to reduce its NOx emissions by an unreasonable and unrealistic 83%;
- The WR facility would be required to incur costs into the tens of millions of dollars to attempt to comply with the Draft Regulations – unlike all the other affected electric generation units, WR cannot pass on these costs because it operates under a long-term purchase power contract;
- A shut-down of the WR facility would have a devastating effect on the already struggling Western Maryland economy.

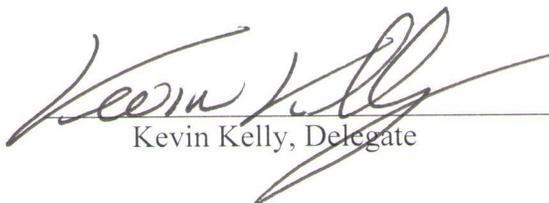
We appreciate the opportunity to provide these comments and would welcome a chance to discuss this matter with you. Please let us know if you have any questions.

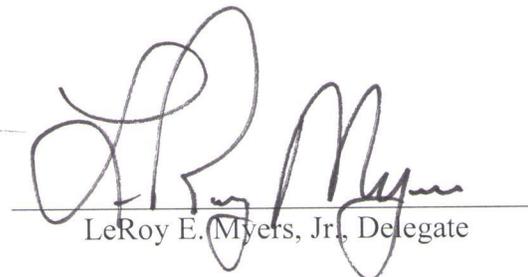
Thank you.

Sincerely,

  
George C. Edwards, Senator

  
Wendell R. Beitzel, Delegate

  
Kevin Kelly, Delegate

  
LeRoy E. Myers, Jr., Delegate

Robert M. Summers, Ph.D.  
January 17, 2014  
Page four

cc: Governor Martin O'Malley  
Lt. Governor Anthony G. Brown  
Comptroller Peter Franchot  
Abigail Hopper  
Commissioners of Allegany County  
Commissioners of Garrett County  
Peter Bajc  
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