



September 3, 2015

**VIA ELECTRONIC MAIL**

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**RE: Comments of the Sierra Club Regarding Proposed Revisions to R.C.S.A.  
§ 22a-174-22**

Dear Ms. Jacobs and Ms. Gere:

The Sierra Club respectfully submits the following comments regarding the August 6, 2015 draft of Connecticut's proposed Reasonably Available Control Technology ("RACT") requirements for nitrogen oxides ("NOx") to be codified at R.C.S.A. § 22a-174-22.

**I. Comment #1: In Section (g)(2)(G), the Sierra Club Requests that the Department Clarify That Credit Is Given Only for Prospective Retirement Decisions**

The Sierra Club urges the Department to clarify that retirements used to comply with Section (g)(2)(G) must occur after the effective date of the new NOx RACT regulations. Connecticut's air quality will not improve if historic unit retirements are allowed to reduce or eliminate future emission reduction requirements. At the August 13, 2015 stakeholder meeting the Department acknowledged the importance of clarifying the date after which the unit must have retired, not only the date by which the unit must be retired, in the regulation. Consequently, Section (g)(2)(G) should be amended to remove any ambiguity regarding the date of a qualifying unit retirement and should ensure this date occurs after the effective date of the new regulations.

**II. Comment #2: In the Proposed Case-by-Case RACT Requirements in Section (h), the Sierra Club Urges the Department to Clarify the Basis for and the Methodology for Determining Cost-Efficacy**

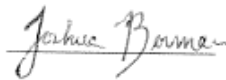
The Sierra Club recommends two clarifications to the newly proposed case-by-case RACT requirements in Section (h). First, at the August 13, 2015 stakeholder meeting the Department explained that the \$12,300/ton figure in section (h)(1)(A)(iii) was derived from Delaware's NOx RACT regulations. Specifically, the figure appears to originate from Delaware's State Implementation Plan Revision to address the Clean Air Act Section 110

Infrastructure Elements for the 2008 Ozone National Ambient Air Quality Standard as the level that was deemed to be cost-effective for NOx RACT.<sup>1</sup> If the Department is going to rely on this cost-effectiveness threshold in its regulation, it should update the \$/ton level to the relevant year in which the determination will be made. The Delaware figure is in 2012\$. Under proposed Section (h), a Phase 1 case-by-case RACT determination in Connecticut would be made in 2017 and a Phase 2 determination would be made in 2020. Consequently the cost effectiveness threshold should be scaled to 2017\$ for the Phase 1 determination and to 2020\$ for the Phase 2 determination,<sup>2</sup> yielding a Phase 1 cost-effectiveness threshold of approximately \$13,100 and a Phase 2 cost-effectiveness threshold of approximately \$13,600.

Second, the Department explained at the August 13<sup>th</sup> stakeholder meeting that in making the cost effectiveness calculation described in Section (h)(6)(D), costs are evaluated not only on an annualized basis, but also assuming full load (i.e., 100% capacity factor). The Sierra Club urges the Department to clarify the use of full load in the final version of Section (h)(6)(D).

Thank you for your consideration, and please let me know if there is any additional information I can provide regarding any of the above comments.

Respectfully submitted,



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<sup>1</sup> See Delaware Register of Regulations, Vol. 16, Issue 1 at 140, Table 3-4.

<sup>2</sup> According to the Bureau of Labor Statistics ([www.bls.gov/data/inflation\\_calculator.htm](http://www.bls.gov/data/inflation_calculator.htm)), between 2012 and 2015 there has been a 3.94% increase in the Consumer Price Index ("CPI"), equating to a 1.29% annual increase in the CPI. At that rate of annual increase, \$12,300 in 2017\$ would be \$13,118 and in 2020\$ would be \$13,635.