



**Electric Cooperatives
of Arkansas**

Clean Air Act New Source Review

Issue: New Source Review (NSR) regulations are intended to require a Best Available Control Technology (BACT) review and installation of additional emission controls when a major physical or operational change at an electric generating unit or another major industrial facility is initiated. Yet, a well-maintained generating unit that is equipped with reasonably modern emission controls and in compliance with all other Clean Air Act standards could still trigger NSR and be forced to spend hundreds of millions more on BACT.

The NSR regulations are unclear and are often interpreted by EPA to require NSR reviews for minor changes, even for operations commonly deemed routine maintenance, repair, or equipment replacement. Over the years, dozens of utilities have been targeted for NSR violations for what should be deemed as routine or commonplace activities forcing utilities to spend millions of dollars in lengthy lawsuits.

Additionally, this NSR regulatory uncertainty and threat of legal action has cast a chill on utilities' interest or incentive to implement efficiency and reliability improvements for their generating units.

Electric Cooperatives of Arkansas Position. EPA should reform the regulations to explicitly exempt from NSR those unit changes that increase efficiency, safety, or reliability. NSR regulations should establish a discernable bright line whereby physical and operational changes can be made to achieve any one of those objectives without triggering NSR concerns.

EPA should improve efficiency safety and reliability by fixing NSR in a way that is fair, understandable, and only triggers reviews for truly major changes.

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