BEFORE THE AIR QUALITY CONTROL COMMISSION
STATE OF COLORADO

PETITION FOR PARTY STATUS OF
TRI-STATE GENERATION AND TRANSMISSION ASSOCIATION, INC.
PUBLIC SERVICE COMPANY OF COLORADO doing business as XCEL ENERGY
APPEARING INDIVIDUALLY,
AND ALSO APPEARING AS MEMBERS OF THE
COLORADO UTILITIES COALITION FOR CLEAN AIR

IN THE MATTER OF REVISIONS TO: REGULATION NO. 7

I. IDENTITY OF THE APPLICANTS FOR PARTY STATUS

The above-captioned entities, appearing individually and as members of the Colorado Utilities Coalition for Clean Air ("CUC"), by their undersigned counsel, hereby submit this Petition for Party Status in this matter. This Petition for Party Status is submitted through the CUC's undersigned counsel pursuant to Section V.E.4.c of the Procedural Rules of the Air Quality Control Commission ("Commission").

In response to their customers' need for affordable electric service, members of the CUC work cooperatively through the CUC coordinating umbrella on a case-by-case basis to seek cost-effective solutions to air quality regulatory issues.

II. APPLICANTS' REPRESENTATIVE

Colorado Utilities Coalition for Clean Air
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III. SUMMARY OF POLICY, FACTUAL, AND LEGAL ISSUES

The proposed revisions to Regulation No. 7 and the Colorado State Implementation Plan ("SIP") would apply to facilities owned and / or operated by the CUC members listed above. Therefore, the CUC has a direct interest in this matter.

Prior to the time the Commission set this matter for rulemaking hearing, the CUC participated in the stakeholder process led by the Air Pollution Control Division ("Division") regarding the proposed revisions to Regulation No. 7. In addition, the CUC was a party to the Commission's previous rulemaking in 2016 that resulted in the adoption of several of the Regulation No. 7 provisions and related SIP provisions, which are proposed for further revision in this present rulemaking, and which pertain to facilities owned and / or operated by CUC members.

The CUC is interested in ensuring that revisions to Regulation No. 7, and related portions of the SIP, result in requirements that may be complied with by the CUC facilities and are consistent with state and federal law, while providing operational and planning flexibility available under such constraints. As the prehearing process continues, the CUC will continue to work with the Division and other parties regarding this proposal and related issues.

Respectfully submitted this 17th day of May, 2018.

RYLEY CARLOCK & APPLEWHITE

By_____

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ATTORNEYS FOR PETITIONER
COLORADO UTILITIES COALITION
FOR CLEAN AIR MEMBERS

CERTIFICATE OF SERVICE

The undersigned certifies that on this 17th day of May, 2018, the foregoing **PETITION FOR PARTY STATUS OF COLORADO UTILITIES COALITION FOR CLEAN AIR (CUC)** was emailed to the following:

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BEFORE THE AIR QUALITY CONTROL COMMISSION
STATE OF COLORADO

PREHEARING STATEMENT OF
TRI-STATE GENERATION AND TRANSMISSION ASSOCIATION, INC.
PUBLIC SERVICE COMPANY OF COLORADO doing business as XCEL ENERGY
APPEARING INDIVIDUALLY,
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COLORADO UTILITIES COALITION FOR CLEAN AIR

IN THE MATTER OF REVISIONS TO: REGULATION NO. 7

The above-captioned entities, appearing individually and as members of the Colorado Utilities Coalition for Clean Air ("CUC"), by their undersigned counsel, hereby submit this Prehearing Statement pursuant to Section V.E.6.c. of the Air Quality Control Commission's ("Commission") Procedural Rules and the April 20, 2018 Notice of Rulemaking Hearing.

COVER STATEMENT, PER §V.E.6.c.(i).

As it pertains to the CUC member owned sources that would be subject to the rule changes per this proceeding, the CUC supports the revisions to Regulation No. 7 and the Statement of Basis, Specific Statutory Authority and Purpose ("SOBP") provided to the parties by the Air Pollution Control Division ("Division") and dated June 11, 2018 ("Revised Proposal").[1]

A revised State Implementation Plan ("SIP") pursuant to the rule revisions and the Technical Support Document ("TSD") for the SIP has not yet been shared with parties. Therefore, the CUC does not submit comments on those documents in this Prehearing Statement. The CUC reserves the right to address additional issues raised in those revised documents or other parties' statements in the CUC's Rebuttal Statement.

The CUC is not offering any exhibits.

The CUC requests ten (10) minutes of time allocation during the rulemaking hearing. If additional issues arise, the CUC may seek additional time to defend or rebut the arguments of the other parties or commenters.

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[1] The Division's most recent version of Regulation No. 7 is dated June 11, 2018. This is the version the Division offers as the Revised Proposal in this proceeding. As per the understanding among the Division and parties to this rulemaking, the CUC's Prehearing Statement addresses the Revised Proposal, and not the Commission's original proposal, dated April 3, 2018.

STATEMENT OF FACTUAL AND LEGAL ISSUES, PER §V.E.6.c.(ii).

The CUC has participated in the stakeholder meetings led by the Division in connection with the proposed changes to Regulation No. 7 and the related SIP for the Denver Metro and North Front Range Moderate Ozone Nonattainment Area ("nonattainment area"). During the stakeholder process, the CUC raised issues and had discussions with the Division regarding Regulation No. 7, Sections XVI.D. and XIX., and the corresponding SOBP. As part of these discussions, the CUC and its individual members have submitted comments on Section XVI.D. and the SOBP to the Division. The CUC's comments have focused on issues which the CUC believes are important to refine the regulatory language so that requirements are consistent with state and federal law, are workable in implementation and provide operational and planning flexibility for the CUC members while continuing to meet the intent and purpose of the Commission's original proposal.

Throughout the stakeholder and prehearing processes, the Division issued several revised versions of Regulation No. 7, and held meetings with stakeholders. The CUC greatly appreciates the Division's efforts and leadership to address issues raised by the CUC and other stakeholders. The CUC supports the Revised Proposal as it pertains to the CUC facilities.

To summarize for the Commissioners' benefit, the following are two of the main types of issues discussed between the CUC and the Division and addressed in the Revised Proposal:

1. Proposed Regulation No. 7, Section XVI.D.2. Exemptions.

This proposed section provides exemptions from the categorical RACT emission limits in Section XVI.D.4 and several other related requirements in Section XVI.D. The CUC supports the exemptions as described in Section XVI.D.2. of the Revised Proposal. These exemptions provide a practical approach to address combustion equipment that operate infrequently, i.e., limited use or seasonal units, or otherwise have low emissions. Importantly, not all combustion units at major source facilities are significant contributors of ozone precursors on days when the highest ambient ozone readings are recorded in the nonattainment area and the exemptions in Section XVI.D.2. in the Revised Proposal provide a common sense approach to major source RACT that is focused on requirements necessary and appropriate to achieve the NAAQS.

Several of the exemption provisions of particular import to the CUC are discussed below.

<u>Section XVI.D.2.d.</u> The exemption in Section XVI.D.2.d., for combustion equipment with uncontrolled actual emissions less than 5 tpy of NOx in a calendar year, reasonably addresses low emitting or low use units, and is consistent with the Commission's threshold criteria for major source RACT for combustion units at major sources of NOx applied in the existing SIP for the nonattainment area and related Regulation No. 7 provisions. *See, e.g.*, the existing Regulation No. 7, Section XVI.D.1.

Section XVI.D.2.a. The exemption in Section XVI.D.2.a., for combustion equipment with a capacity factor of less than 20% on a calendar year basis, averaged over a three-year period is important to address units that operate infrequently. This exemption, developed by the Division in the stakeholder process, addresses a combination of various exemptions suggested by several different stakeholders, and was intended to streamline the numerous exemptions, typically seen in other states rules, that would apply universally across all varieties of combustion equipment rather than having numerous separate exemptions. Stakeholders representing diverse industries and sources reached consensus on this single exemption approach during the proposed rule development and continue to support the exemption in the Revised Proposal.

The capacity factor limit for the exemption of 20% is an appropriate value given all of the different exemptions that were initially considered viable during the rule development process. Specifically for boiler retrofit projects, it has been the CUC's experience that vendors will not usually guarantee emission rates below 25% load factor (sometimes referred to as Master Control Rate or Burner Master). For example, as part of the RACT analysis for the Denver Steam Plant, Xcel Energy obtained a cost estimate for a burner retrofit from a manufacturer that would only guarantee emission rates from 25% to 100% load factor. That condition is typical for a retrofit project on boilers. The 20% capacity factor exemption will encourage owners / operators to operate fewer sources at higher load factors where the emission rates are guaranteed, if that is an option at the facility or within their fleet of sources, through the economic incentive of avoided costs associated with the infrequently operated units (e.g., costs of having to install and operate a CEMS to comply with the proposed monitoring provisions in Section XVI.D.5.). It also encourages owners / operators to reduce emissions prior to the initial compliance date, proposed in Section XVI.D.5., through the planning required to ensure the initial exemption demonstration can be met.

The 3-year average based on calendar year data is important when applying a single exemption across a varied set of operating sources and industries. This provides all subject operators appropriate time to plan and manage facility and unit operations in order to maintain the exemption, if that is their preferred compliance method under the rule. This ability to plan is an incentive to industry to be able to avoid added costs to operations and customers and reduces emissions by putting a cap on operations.

Section XVI.D.2. Section XVI.D.2. requires a unit that no longer qualifies for an exemption to demonstrate compliance within 36 months after the exemption no longer applies. The 36-month timeline is critical as it takes time to plan and implement projects that require the installation of controls or emissions monitoring systems.

2. Various clarifications throughout Section XVI.D. and the SOBP.

During the stakeholder process and prehearing discussions, the CUC's comments requested revisions to clarify various aspects of the proposed rule changes as they relate to boilers and turbines. For example, in February 2018 during the stakeholder process, the CUC members requested the definition of "capacity factor" in Section XVI.D.3.c. align with the

definition and use of that term under the Acid Rain Program, 40 C.F.R. § 72.2. for electric generating units subject to the Acid Rain provisions. As written in the Revised Proposal, Section XVI.D.3.c. incorporates the Acid Rain Program's definition of capacity factor for electric generating units. As another example, the CUC requested revisions to the SOBP to clarify that the combustion adjustment requirements in Section XVI.D.6. may apply to a combustion unit (in accordance with the applicability provision in Section XVI.D.6.a.), regardless of whether that unit is exempt from a categorical emission limit in Section XVI.D.4.

As written, the Revised Proposal incorporates all clarifications raised by the CUC at the time of this Prehearing Statement. The CUC appreciates the other stakeholder's and Division's efforts to refine and agree upon proposed language to clarify issues and streamline compliance with underlying requirements while still providing an appropriate level of emission control to satisfy the requirements of RACT.

LIST OF ISSUES TO BE RESOLVED BY THE COMMISSION, PER §V.E.6.c.(iii).

There are two main issues for resolution in this rulemaking:

1. The Commission must decide whether to approve the proposed changes to regulations, as contained in the Revised Proposal including revisions to Regulation No. 7 and the SOBP, as well as revisions to the SIP and associated TSD,

2. As a part of Issue 1, above, the Commission must decide whether the revisions it adopts are consistent with the Clean Air Act and state law.

LIST OF EXHIBITS ATTACHED, PER §V.E.6.c.(iv).

The CUC does not plan to provide any exhibits.

LIST OF WITNESSES TO BE CALLED, PER §V.E.6.c.(v).

Josh Korth, Environmental Analyst V, at Xcel Energy, or Doug Lempke, Senior Environmental Policy Analyst at Tri-State may be called as witnesses, or the undersigned counsel may offer statements regarding policy and legal issues in support of the proposed changes to the regulations, SOBP, and the associated SIP.

WRITTEN TESTIMONY, PER §V.E.6.c.(vi).

The CUC does not plan to provide written testimony.

TEXT OF ALTERNATE PROPOSED RULE, PER §V.E.6.c.(vii).

Not applicable.

STATEMENT AS TO FEDERAL CLEAN AIR ACT REQUIREMENTS, PER §V.E.6.c.(viii).

Not applicable; the CUC's position herein does not raise new issues to be addressed in this section.

ECONOMIC IMPACT ANALYSIS, PER §V.E.6.c.(ix).

Since the CUC is not offering an alternate proposal, an economic impact analysis is not called for. The CUC reserves the right to comment on the economic impact analysis to be offered by the Division, or that may be submitted by another party offering an alternate proposal.

Respectfully submitted this 11th day of June, 2018.

RYLEY CARLOCK & APPLEWHITE

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ATTORNEYS FOR COLORADO UTILITIES COALITION FOR CLEAN AIR MEMBERS

CERTIFICATE OF SERVICE

The undersigned certifies that on this 11th day of June, 2018, the foregoing **PREHEARING STATEMENT OF COLORADO UTILITIES COALITION FOR CLEAN AIR** was emailed to the following:

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BEFORE THE AIR QUALITY CONTROL COMMISSION
STATE OF COLORADO

RESPONSE TO EPA'S COMMENTS OF
TRI-STATE GENERATION AND TRANSMISSION ASSOCIATION, INC.
PUBLIC SERVICE COMPANY OF COLORADO doing business as XCEL ENERGY
APPEARING INDIVIDUALLY,
AND ALSO APPEARING AS MEMBERS OF THE
COLORADO UTILITIES COALITION FOR CLEAN AIR

IN THE MATTER OF REVISIONS TO: REGULATION NO. 7

The above-captioned entities, appearing individually and as members of the Colorado Utilities Coalition for Clean Air ("CUC"), by their undersigned counsel, submit this Supplemental Information in Response to EPA's Comments dated June 29, 2018 and submitted to the Air Quality Control Commission's ("Commission") in connection with the April 20, 2018 Notice of Rulemaking Hearing ("EPA's Comments"). EPA's Comments were received after the deadline for Rebuttal Statements in this proceeding had passed, and recognizing the Hearing is approaching in 8 days, the CUC thought it important to respond to certain issues raised in EPA's Comments before the Hearing. Therefore, the CUC respectfully requests this Supplemental Information in Response to EPA's Comments be included in the Hearing record.

The CUC has reviewed EPA's Comments, which raise several issues regarding the proposed Regulation No. 7 / State Implementation Plan ("SIP") revisions affecting CUC member-owned units. The CUC continues to support the proposed revisions to Regulation No. 7, as reflected in the version dated June 11, 2018 ("Proposed Reg. 7 Revisions").

Leading up to the Proposed Reg. 7 Revisions, certain sources, including several owned/operated by the CUC members Xcel or Tri-State, submitted unit-specific RACT analyses to the Division evaluating the available technological and economic feasibility and reasonableness of control technologies to reduce NOx emissions in the Denver Metro and North Front Range Moderate Ozone Nonattainment Area ("nonattainment area"). For many sources, the RACT analyses submitted include detailed operational, emissions, and other technical information. It is the CUC's understanding that the Division used the discussions and results of these RACT analyses, as well as additional information available to the Division, such as emission inventories and other approved moderate non-attainment area SIPs, to develop the RACT requirements in the Proposed Reg. 7 Revisions. Therefore, the RACT requirements being proposed for the Commission's consideration, including the emission limitations, work practice standards, monitoring, recordkeeping and reporting requirements, as well as exemptions from certain requirements, are based on technical support in the individual RACT analyses and additional information available to the Division.

EPA's Comments suggest the need for additional supporting information; however, the stakeholder process led by the Division compiled substantial information that informed the proposal put forth by the Division. This process and the Division's consideration of the information is consistent with the lead role spelled out for states in section 110 of the Clean Air Act. While EPA clearly has a role in reviewing the work of the states in SIP development, the Division's balancing of factors in creating a workable SIP provision is due substantial deference. A review of EPA's Comments reveals a lack of complete understanding of material facts accumulated during the stakeholder process that provide a foundation for the proposed rule.

Below is additional information in response to two of EPA's Comments (Comments 1 and 3), which relate most directly to the CUC members' sources subject to the Proposed Reg. 7 Revisions.

<u>CUC Response to EPA Comment 1, regarding Reg. 7, Section XVI.D.4.b. (emission limitations for turbines):</u>

Reg. 7, Section XVI.D.4.b. provides that stationary combustion turbines with a maximum design heat input capacity equal to or greater than 10 MMBtu/hr, which commenced construction on or before February 18, 2005, must meet the NSPS Subpart GG emission limitations, unless an exemption in Reg. 7, Section XVI.D.2. applies on a per turbine basis. EPA's Comment 1 notes that EPA is "concerned" that the Subpart GG emission limits may not represent RACT for all turbines constructed, reconstructed or modified before February 2005. EPA states its belief that many of the turbines predating 2005 "are already meeting or exceeding" the more stringent Subpart KKKK emission limits, and EPA suggests the State adopt a single emission limit to apply across the board to all subject turbines, and allow a less stringent limit for sources unable to meet such limit, pending a source-specific RACT analysis.

In response, the CUC notes that the Division has confirmed the emission profiles for the turbines in question and EPA's concern is not well founded given the emission profiles and categorical RACT approach. The CUC believes that many of its members' electric generating turbines that would potentially be subject to this requirement are older and smaller turbines (for example, among the CUC members' sources, there are five turbines at 57 MW and three at 45 MW). The CUC concludes that the turbines that EPA is referencing as existing turbines already meeting the Subpart KKKK limits are the typical heavy frame, higher output units that have become the industry standard for utilities in recent years. The CUC also believes the turbines that EPA is referencing were designed and constructed with NSPS and/or RACT requirements included as part of their initial design and permitting and have been constructed after 2005.

It is not economically feasible for older, smaller electric generating turbines to be retrofitted to achieve the emission limit of 15 ppm corrected to 15% O_2 found in Subpart KKKK. Data submitted to the Division as part of the RACT analysis process for these older, smaller units shows costs to retrofit older turbines with low NOx burners ranging from approximately \$65,000/ton to \$137,000/ton of NOx reduced using EPA's Cost Control Manual data (for example, for the turbines at Xcel's Ft. Lupton and Valmont facilities). As these turbines have

consistently operated with low capacity factors and mass emissions, applying Subpart GG emission limits and the applicable monitoring requirements to these older, smaller turbines is appropriate as RACT only if they cannot meet the limited use exemption.

It is also important to note that applying Subpart GG emission limits as categorical RACT for any of the turbines subject to this requirement (whether older or newer / smaller or larger) does not relieve any unit from the obligation to comply with any short-term emission limits in its operating permit that are more stringent than the emission limitations of Subpart GG. Furthermore, to the extent that NOx emissions from a turbine exceed 5 TPY, the turbine would be subject to the work practice standards in Reg. 7, Section XVI.D.6., regardless of any emission limits in Section XVI.D.4. (whether a Subpart GG or KKKK limit applies, or whether the turbine is exempt from any emission limit in Section XVI.D.4).

<u>CUC Response to EPA Comment 3, regarding Reg. 7, Section XVI.D.2.a. (exemption based on a 20% capacity factor averaged over 3 rolling years):</u>

The CUC discussed support for the Section XVI.D.2.a. exemption (20% capacity factor averaged over 3 calendar years) in the CUC's Prehearing Statement filed in this proceeding. However, EPA's Comments raise additional issues relating to this exemption. Importantly, EPA's Comments reveal a lack of understanding of the facts underlying the exemption as they apply to electric generating units and other types of combustion units subject to the Proposed Reg. 7 Revisions, as summarized in the two points below.

A) EPA observes that the across the board capacity factor exemption is not prevalent in nonattainment areas. EPA briefly identifies other exemptions it has seen, such as caps on total hours of operations or a capacity factor averaged over 3 years coupled with an annual capacity factor cap. In response, the CUC believes the proposed Section XVI.D.2. exemption level of 20% capacity factor averaged over 3 calendar years is appropriate for a single exemption that applies uniformly across the sources affected by this rulemaking. Numerous exemptions were proposed by stakeholders as part of the RACT submissions for the individual source categories with different thresholds and data collection intervals. A capacity factor exemption proposed for electric generating turbines is not an "apples to apples" comparison with an exemption proposed for a seasonally operated boiler or a backup unit that only operates when a primary unit is unavailable. The Division did extensive work to review the exemptions that were proposed during the RACT analysis process, take into consideration the nature and operating histories of the universe of units to be affected by the proposed SIP revision, and compared them to exemptions approved in other moderate nonattainment area SIPs. Ultimately the Division arrived at a single exemption that could be applied consistently for all affected sources. This is a straightforward and easy to implement approach. While stakeholders would have generally preferred unit specific exemptions for limited use, seasonal operation or backup capacity, the CUC understands that the RACT stakeholders and parties to the rulemaking must compromise as a group, and conclude the Division's approach to be fair to the numerous proposals. As a result all of the parties were able to reach consensus in support of the exemption as written.

B) EPA also contends the proposed exemption would allow a unit to operate at a 60% capacity factor in a single year and still qualify for the exemption. In response to EPA's concern, it is important to understand that while 60% in a given year, among a 5-year timeframe, may be theoretically possible, such a hypothetical does not reflect the purpose for which these units operate or how sources are actually operated in reality as demonstrated by historical operating data.

As an example of historical operations, the following is a table displaying a 5-year look back of Xcel's Denver Steam Plant Unit 1 boiler operations:

Fuel Usage (mmscf)						
Month	Average	2012	2013	2014	2015	2016
January	**49.31**	38.1	45.3	58.7	73.3	31.2
February	**40.72**	40.6	37.7	51.1	45.1	29.1
March	**28.67**	18.4	22.4	43.0	31.2	28.4
April	**18.57**	9.9	22.8	30.1	20.8	9.3
May	**6.03**	1.1	9.7	12.3	6.6	0.5
June	**10.24**	0.0	0.0	0.0	51.2	0.0
July	**25.02**	0.0	55.3	12.7	57.1	0.0
August	**20.93**	6.7	0.9	38.0	55.1	3.9
September	**15.67**	0.1	0.3	53.3	21.3	3.3
October	**13.97**	21.3	27.3	8.6	7.7	5.0
November	**29.42**	17.1	34.8	42.9	24.6	27.7
December	**50.63**	43.3	55.4	42.5	42.7	69.2
Annual Total	**309.17**	**196.62**	**311.70**	**393.17**	**436.81**	**207.55**
Maximum Usage	**1,803.5**	**1,803.5**	**1,803.5**	**1,803.5**	**1,803.5**	**1,803.5**
Annual Capacity Factor (%)	**17.1%**	**10.9%**	**17.3%**	**21.8%**	**24.2%**	**11.5%**

As shown in the above table, in most years, Unit 1 boiler's capacity factor remained below or around 20%. This is typical for this type of steam heating boiler, and in order to qualify for the proposed exemption and continue to serve its intended purpose and meet demands, an average capacity factor must remain available in each year for this type of unit, as described below.

From the CUC's perspective, sources that could potentially be exempt based on a 3-year rolling 20% capacity factor are operated to support the electric grid, commercial and

governmental facilities, and public locations such as museums. As such, they are required to be available and operated when needed and cannot be unavailable for long stretches of time. The companies that operate these facilities will have to forecast and execute operations in the range of 15-20% capacity factor on a calendar year basis to ensure continued availability, reliability, and adaptability to changing conditions required by their facilities and customers. If a company cannot execute operations below 20% capacity factor consistently, while still meeting the needs of their customers, they would lose the exemption and be required to demonstrate compliance with the categorical limits, monitoring, reporting, and recordkeeping requirements as applicable for that source category.

To illustrate how annual capacity numbers roll into a three-year average and how a source would need to plan in order to maintain the 20% capacity factor exemption as written, below is a realistic hypothetical future scenario:

Year	Annual Capacity Factor	3-yr Average Capacity	Max Annual Capacity to still remain exempt
2018	20.0		
2019	18.0		
2020	17.0	18.3	
2021	15.0	16.7	25
2022	22.0	18.0	28
2023	23.0	20.0	23
2024	10.0	18.3	15
2025	15.0	16.0	27
2026	31.0	18.7	35
2027	12.0	19.3	14
2028	**19.0**	**20.7**	**17**

As reflected above, advance planning is needed and operators must be careful to avoid higher capacity factors in any given year in order to preserve flexibility to meet future demands, year after year. In the extreme example offered by EPA, if a unit were to operate at 60% in a given year, it could not have operated at all during the two years prior or during the two years following the 60% year, in order to achieve an average of 20% over three years to qualify for the exemption. Zero (0) % operations in four out of five consecutive years is not practical at CUC members' sources, or likely any other source in the nonattainment area.

We appreciate the opportunity to provide this supplemental information as a Response to EPA's Comments for the Commission's consideration and respectfully request this be included in the Hearing record.

Respectfully submitted this 11th day of July, 2018.

RYLEY CARLOCK & APPLEWHITE

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ATTORNEYS FOR COLORADO UTILITIES COALITION FOR CLEAN AIR MEMBERS

CERTIFICATE OF SERVICE

The undersigned certifies that on this 11th day of July, 2018, the foregoing **RESPONSE TO EPA'S COMMENTS OF COLORADO UTILITIES COALITION FOR CLEAN AIR** was emailed to the following:

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STATE OF COLORADO

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Subject: CUC Comments on the TSD (AQCC Rulemaking, Reg. 7 Revisions)

Dear Division and parties,

As discussed after the Prehearing Conference yesterday, the following are the CUC's comments on the Technical Support Document (TSD) posted online 6/18 (attached for convenience), based on the CUC's preliminary review of the TSD:

1. TSD Page 17, Table 9. The heat input ratings for the PSCo Cherokee turbines should be corrected. The correct ratings for the Cherokee turbines are: 2216 mmbtu/hr with duct burners and 1906 mmbtu/hr without duct burners.

2. TSD Page 4, last paragraph, first sentence. The CUC proposes to delete the word "categorical," as follows: "In order to satisfy the Moderate RACT SIP requirement to establish ~~categorical~~ RACT…" This is because the applicable CAA provisions and EPA regulatory requirements provide that RACT must be established, whether by categorical, source specific, or other types of requirements, if any. "Categorical" RACT in particular is not a specific requirement.

3. TSD Page 7, second paragraph, second to last sentence. This sentence can be interpreted to suggest that RACT must be expressed in the form of an emission limitation; however, as discussed in the preceding paragraph, RACT requirements may be expressed in other ways, e.g., work practice standards. To address this, the CUC proposed to revise this sentence as follows: "States determine what ~~emission limitations~~ constitute~~s~~ RACT,…."

4. TSD Page 30, second complete paragraph (first paragraph under 8)), last sentence. This sentence references heat input as used to determine a capacity factor; however, in accordance with proposed Reg. 7, Section XVI.D.3.c., EGUs may use an alternative method, using MWe/hr, to determine the capacity factor. The CUC requests this sentence be revised, or a new sentence be added, to acknowledge the alternative way in which the capacity factor may be determined for EGUs.

Please let us know if you have questions or would like to further discuss. Should additional questions or comments occur to the CUC as we continue to review the TSD, we will submit additional information.

Best regards,

Julie Rosen

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