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September 3, 2014

Administrator Gina McCarthy
Air and Radiation EPA Docket and Information Center
United States Environmental Protection Agency
Mail Code 2822T
1200 Pennsylvania Ave., NW
Washington, DC 20460

Re: Draft Carbon Emission Rules (Docket EPA-HQ-OAR-2013-0602)

Dear Administrator McCarthy:

The purpose of this letter is not to rehash the common arguments made against the above referenced rules. I know you have already heard that the draft rules go beyond the authority of the Clean Air Act and how the rules will jeopardize reliability and drive-up costs by essentially dictating to states which generation resources will be deployed and at what time. While those issues remain and I welcome the opportunity to discuss them in more detail with you, as a colleague who knows and respects you, I am writing now to appeal to your sense of fairness by sharing some insight into how the draft rules might impact my state and illustrate some examples where the rules, as currently written, place undue hardship on Georgia consumers. I also write to emphasize the need for an extension of the comment period.

Let me begin by saying the draft rule summarily discards billions of dollars in investment Georgians have made in state-of-the-art emissions controls on coal-fired units during my tenure. While the Georgia Public Service Commission has already approved the retirement of approximately 3000 megawatts of generation, EPA's proposal assumes that Georgia will retire another 3900 megawatts of coal-fired generation in response to this rule, thereby stranding the investment in those generating units, including billions of dollars' worth of environmental controls. These assumed retirements are largely driven by EPA's conclusion that all existing natural gas combined cycle (NGCC) units statewide can be ramped up to a 70% capacity factor, thereby replacing coal-fired units' generation with generation from NGCCs. To preserve the investment Georgians have made, EPA should remove this ramp-up assumption from its calculation of the state goal.

Another concern I have is that the draft rule cancels out the benefits of our nuclear development. As you know, in 2012 Georgia received the first license in this country in over 30 years to construct Vogtle Units 3 and 4, which will generate zero carbon emissions. In fact, one of the factors that the Commission considered in its approval of Vogtle Units 3 and 4 was the potential of future carbon regulation. Yet the draft rule penalizes us for these advancements and ignores the significant investment by making Georgia's goal more stringent than otherwise comparable states to account for operation of these new units. Penalizing states for being proactive sends the wrong message to future commissions. Instead, Georgia should be credited for its foresight by treating Vogtle Units 3 and 4 the same as other future nuclear units that are not yet under construction – available for compliance with, but not incorporated into, the state goal.

In addition, the four “building blocks” of the EPA proposal – unit heat rate improvements, redispatch of natural gas, nuclear and clean resources, increasing renewables, and increase in demand-side energy efficiency – are all based on overly aggressive assumptions. Even if Georgia could increase demand-side energy efficiency to 10% by 2030, it would create hardships on our ratepayers. In 2012, this Commission was involved in a study (2012 Technical and Economic Achievable Potential (TEAPot) Study) that evaluated similar aggressive targets and the result of EPA's assumptions would be \$4 to 5 billion dollars of cost that banks on achieving levels of demand-side energy efficiency that have never been demonstrated on a sustained basis.

Finally, EPA's current deadline for commenting simply does not provide sufficient time to understand this far-reaching and complex proposal. An extension of 90 days is needed not only to review massive amounts of text, data and regulatory analysis in the docket, but also to verify the assumptions and calculations used to establish Georgia's carbon reduction goal and assess the impacts.

As a former state administrator yourself, I know you will take these concerns to heart. And I look forward to any opportunity to present these concerns in more detail to you in person. In the interim, please do not hesitate to contact my office should you desire any supporting information.

Respectfully,

A handwritten signature in black ink, appearing to read "Stan Wise", written in a cursive style.

Stan Wise

Georgia Public Service Commissioner