

ONE HUNDRED THIRTEENTH CONGRESS  
**Congress of the United States**  
**House of Representatives**

COMMITTEE ON ENERGY AND COMMERCE

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WASHINGTON, DC 20515-6115

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May 31, 2013

The Honorable Bob Perciasepe  
Acting Administrator  
U.S. Environmental Protection Agency  
1200 Pennsylvania Avenue, NW  
Washington, D.C. 20004

Dear Acting Administrator Perciasepe:

I am writing to seek information regarding the U.S. Environmental Protection Agency's ("EPA's") proposed rule concerning Arizona's Navajo Generating Station ("NGS").<sup>1</sup> The Committee's Subcommittee on Energy and Power has previously conducted oversight relating to the potential impacts of EPA regulations on power plants throughout the United States, including the impact of rules implementing EPA's regional haze program. We have been concerned about the impacts of EPA's suite of power sector rules on access to affordable and reliable electricity, and on jobs and the economy.

As set forth in the EPA's proposed rule relating to NGS, it is the largest coal-fired power plant in the western United States in terms of generating capacity. It is central to the economies of the Navajo Nation and Hopi Tribe and powers the Central Arizona Project that delivers 1.5 million acre-feet per year of Colorado River water from western Arizona to agricultural users in central Arizona, Indian tribes located in Arizona, and municipal water users in several counties. Coal used by NGS is supplied by the Kayenta Mine located on reservations lands, and NGS and the mine employ hundreds of workers.

On January 18, 2013, EPA announced a proposed rule under its regional haze program that would set new limits for nitrogen oxide (NOx) emissions that would require NGS to install Selective Catalytic Reduction (SCR) technology. EPA's rationale for its proposed rule, which has been estimated to cost hundreds of millions of dollars, and potentially to exceed \$1 billion, is to improve visibility at national parks in Arizona and surrounding areas. In a report published just last year, however, the Department of Energy's National Renewable Energy Laboratory

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<sup>1</sup> "Approval of Air Quality Implementation Plans; Navajo Nation; Regional Haze Requirements for Navajo Generating Station; Proposed Rule," 78 Fed. Reg. 8274 (February 5, 2013).

(NREL), stated: *“The body of research to date is inconclusive as to whether removing approximately two-thirds of the current NOx emissions from Navajo GS would lead to any perceptible improvement in visibility at the Grand Canyon and other areas of concern.”*<sup>2</sup> We are concerned that the rule threatens continued operation of the NGS without commensurate visibility benefits.

To assist the Subcommittee on Energy and Power, we request that you provide responses to the following requests for information:

1. Prior to announcing the proposed rule, EPA, the Department of the Interior and the Department of Energy issued a joint federal agency statement that announced formation of an interagency working group relating to the NGS.
  - a. What is the status of the interagency working group?
  - b. Have there been interagency consultations and/or meetings since the announcement of the working group? If yes, when have the consultations and/or meetings occurred and what has been the result of those activities?
  - c. Has there been an opportunity for public participation? Will there be opportunities for public participation?
  - d. To the extent not explained above, what has been the result of the interagency working group activities?
2. A recent study by Arizona State University concluded that the NGS and Kayenta mine would contribute over \$20 billion in revenue to the State of Arizona between 2011 and 2044, and would also contribute approximately \$13 billion for the Navajo Nation economy between 2020 and 2044. The study also concluded that operation of both facilities would result in thousands of jobs over this period.
  - a. Will EPA take into account these significant economic and job benefits?
  - b. What is EPA’s current estimate of the total number of jobs that may be lost if the NGS is effectively forced to shut down all or a significant part of its operations due to EPA’s rule?
3. What is EPA’s current estimate of the total costs to implement the proposed rule, including capital costs and operating and maintenance costs? Can EPA commit that the agency will not impose costs or requirements that effectively force the NGS facility to shut down all or a significant part of its operations?

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<sup>2</sup> “Navajo Generating Station and Air Visibility Regulations: Alternatives and Impacts,” prepared by National Renewable Energy Laboratory, March 15, 2012 (as corrected) at p. 113.

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Please provide your response not later than June 21, 2013. If you have any questions, please contact Mary Neumayr of the Majority Committee staff at (202) 225-2927.

Sincerely,



Ed Whitfield  
Chairman  
Subcommittee on Energy and Power

cc: The Honorable Bobby L. Rush, Ranking Member  
Subcommittee on Energy and Power