



STATE OF CONNECTICUT
DEPARTMENT OF ENVIRONMENTAL PROTECTION



December 23, 2005

U.S. Environmental Protection Agency
EPA Docket Center, EPA West (Air Docket)
Mail Code 6102T
1200 Pennsylvania Avenue, N.W.
Washington, DC 20460
Attention: E-Docket #OAR 2003-0053

Re: **Connecticut Department of Environmental Protection Comment on Rule To Reduce Interstate Transport of Fine Particulate Matter and Ozone (Clean Air Interstate Rule): Reconsideration, 70 Fed. Reg. 72268, (December 2, 2005)**

Dear Docket Administrator:

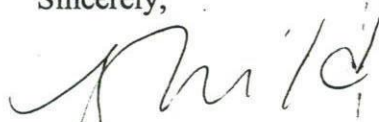
The Connecticut Department of Environmental Protection (CTDEP) is encouraged that the U.S. Environmental Protection Agency (EPA) is reevaluating certain aspects of the Clean Air Interstate Rule (CAIR). CTDEP is currently planning to implement emissions reductions necessary to attain the federal 8-hour ozone National Ambient Air Quality Standard (NAAQS) and thus welcomes federal measures such as CAIR that reduce ozone precursor emissions in upwind states. While CAIR is projected to achieve valuable sulfur dioxide (SO₂) and nitrogen oxides (NO_x) reductions, EPA's modeling shows that CAIR alone is not likely to allow Connecticut to attain the ozone NAAQS. To maximize the potential benefits of CAIR given the limited number of additional emission reductions that Connecticut may achieve within its borders, CTDEP offers the following comment on the above-referenced reconsideration (CAIR Reconsideration). In short, CTDEP remains concerned that EPA's use of fuel adjustment factors (FAFs) to establish state NO_x budgets creates an unfair economic and environmental penalty for Northeastern states, thereby adding an unnecessary barrier to CTDEP's efforts to provide improved air quality for its citizens.

EPA's application of the FAFs apportions larger NO_x budgets to states that have a higher proportion of coal-fired electric generating units. EPA speaks of greater burdens on the owners of coal plants to control emissions to justify applying the FAFs, but EPA ignores the inherent burden on cleaner burning plant owners and investors caused by the FAFs. States with a higher proportion of gas-fired electric generating units receive fewer allowances as a result of CAIR's FAF. Gas-fired electric generating unit owners have incurred historical costs to burn a cleaner but higher-priced fuel. While gas-fired plant owners have continually paid the price for cleaner fuel, under CAIR these owners may be penalized with the additional cost of purchasing allowances in order to comply with CAIR. Such costs will be passed on to ratepayers in the form of higher electric rates.

Just as FAFs may inherently burden the gas-fired unit owners, investors and ratepayers, the FAFs also disproportionately burden Northeast states. Citizens in the Northeast now bear the public health and attainment burden of transported air pollution from dirtier coal-fired units. Under the FAF methodology, due to the high proportion of gas-fired electric generation in the Northeast the citizens in the Northeast also effectively bear the economic burden of paying higher rates for controls installed in Midwest states. Because of the disproportionate burdens described above, EPA should not apply the FAFs in the final CAIR and should instead return to the fuel-neutral state NO_x budget calculation methodology proposed in the CAIR notice of proposed rulemaking (69 FR 4566). CTDEP is not suggesting that EPA in any way reduce the overall air quality benefits possible with CAIR, only that EPA require equitable, cost-effective reductions from coal-fired electric generating units.

CTDEP appreciates the opportunity to comment on the CAIR Reconsideration and urges EPA to heed our recommendation. If you or members of your staff have any questions regarding this letter, please do not hesitate to contact Anne Gobin, Chief, Bureau of Air Management at 860-424-3026.

Sincerely,



Betsey Wingfield
Acting Deputy Commissioner

BW/wj

cc: Robert W. Varney, Regional Administrator (EPA New England)