Jackson, Tricia

From: Chad Allen <callen@misoenergy.org>
Sent: Tuesday, February 16, 2016 5:35 PM

To: Jackson, Tricia
Cc: Brian Hansen

Subject: RE: [EXT] Clean Power Plan Stay: Next Steps

Tricia,

See MISO's response to Question 3 below:

MISO recognizes that the U.S. Supreme Court's stay of the Clean Power Plan rule impacts timing and other impacts of the rule's implementation, and we are having discussions with our stakeholder community to better understand their perspectives as we move forward. Our job as a reliability and transmission planner is to plan into a future that is uncertain as to how much and how fast policy might shift. Because of that, MISO's modeling and planning efforts are designed to capture various potential outcomes.

MISO considers different futures as part of the transmission-planning process, including scenarios that reflect different ways that the CPP could be implemented. While no decisions have been made yet, MISO is considering modeling a "Partial CPP Future" that assumes that legal or political challenges to the rule would slow or halt compliance, resulting in partial CPP implementation. We will continue to discuss that possible scenario and other potential scenarios with our stakeholders to ensure we are developing transmission plans that ensure the continued reliability of the electric grid.

MISO stands ready to keep the ADEQ and APSC apprised modeling developments as they develop in conjunction with our stakeholder process.

Chad Allen Regulatory 501-515-0380 (Mobile) 501-244-1502 (Direct) 501-244-1500 (Office)

----Original Message----

From: Jackson, Tricia [mailto:jacksonp@adeq.state.ar.us]

Sent: Friday, February 12, 2016 6:01 PM

To: farrella@api.org; reminger@americaspower.org; ken@klsmithconsulting.com; jamie.ewing@arkansasag.gov; william.mason@arkansas.gov; tschroedter@hallestill.com; msimpson@arkansasedc.com; cmiller@environmentark.org; krobbins@aipro.org; jcritcher@arml.org; annaw@arpanel.org; khall@arkansasstatechamber.com; ross@mcmathlaw.com; brent@brentstevensonassociates.com; walter.bryant@centerpointenergy.com; George Heintzen; scain@aecc.com; cbarlow@entergy.com; Chad Allen; jcarter@nlr.ar.gov; mallison@ddh-AR.com; turnerum@oge.com; gcook@ppmsllc.com; glen.hooks@sierraclub.org; David Boyd; Lanny Nickell; vmccellon-allen@aep.com; fiji.george@swn.com; bill@paschallstrategic.com; don@paschallstrategic.com; sarah.tacker@arkansasag.gov; dara.hall@arkansasag.gov; steve.cousins@lionoil.com; bkincaid@audubon.org; dscheiman@audubon.org; gmoody@audubon.org; michael.chapman@conwaycorp.com; CWarner@aecc.com; kmcque1@entergy.com; Chad Allen; Todd Hillman

Cc: Keogh, Becky; Spencer, Stuart; Chapman, Julie; Cain, Timothy; Harrelson, Tammy; Davis, Anthony; Tori.Gordon@governor.arkansas.gov; EMoore@psc.state.ar.us; tthomas@psc.state.ar.us

Subject: [EXT] Clean Power Plan Stay: Next Steps

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Stakeholders,

The Arkansas Department of Environmental Quality and Arkansas Public Service Commission are pleased to have high-Court relief from the challenging federally mandated timeline with respect to the Clean Power Plan. Our agencies will continue, as we did before the CPP was issued, to engage our stakeholders on proposed and ongoing energy and environmental policy and regulation. We look forward to engagement that can now occur on a timeline and in a context that makes sense and represents good stewardship of taxpayer resources for Arkansas, for our citizens, and for our regulated community.

Our agencies are considering the following questions as we assess the most appropriate direction for Arkansas:

- 1) Will EPA continue to seek comment on related issues that were not finalized in the rule that are subject to the stay? (e.g. the Clean Energy Incentive Program)
- If the Clean Power Plan is ultimately upheld, how will the new compliance schedule develop?
- 3) Will modeling entities continue to optimize modeling and find agreement on modeling assumptions during the stay?
- 4) How do we, in our respective agencies, maximize the value of the resources already invested by the Agencies and stakeholders with respect to this rule and energy and environmental policy?
- 5) What is our obligation under Act 382 of 2015 (Ark. Code Ann. 8-3-203(b)(2))? Is the State required to suspend activity during the stay?
- 6) How does the stay impact the obligation of the Arkansas Public Service Commission to provide a cost estimate for the Arkansas Clean Power Plan strategy?
- 7) How will the stakeholder group function during the stay, and are there benefits that may be derived from discussing energy and environmental policy implicated by other EPA rules?

Our agencies are contemplating the questions above and are particularly interested in your thoughts on questions 4 - 7. Please provide your timely feedback to the following email address: 111d@adeq.state.ar.us. We will consider your feedback as we look forward.