ADEQ
ARKANSAS
Department of Environmental Quality

April 5, 2017

Kelly McQueen, Assistant General Counsel
Entergy Arkansas, Inc.
425 W Capitol Avenue
P.O. Box 551
Little Rock, Arkansas 72201

Dear Kelly McQueen:

The Arkansas Department of Environmental Quality (ADEQ) is in the process of developing a state implementation plan (SIP) revision to address disapproved provisions in the 2008 Arkansas Regional Haze SIP (2008 AR RH SIP) and replace the federal implementation plan (FIP) promulgated by EPA on September 27, 2016. As part of this process, ADEQ requests that Entergy Arkansas, Inc. (EAI) provide supplemental information to inform ADEQ's best available retrofit technology (BART) determination for sulfur dioxide (SO_2) at White Bluff units 1 and 2.

In the "State of Arkansas Regional Haze and Interstate Visibility Transport Federal Implementation Plan" (AR RH FIP), EPA determined that BART for White Bluff was dry flue gas desulfurization (Dry FGD) technology based on the thirty year expected useful life of the Dry FGD equipment; however, EPA did not appropriately take into account the remaining useful life of the White Bluff units themselves. White Bluff unit 1 began operating in 1980 and unit 2 began operating in 1981. Given the age of the units and expected market trends for coal compared to other fuels and technologies used to generate electricity, it is not reasonable to assume that White Bluff will still be powered by coal in 2051 (thirty years after the compliance date in the AR RH FIP and 70 years after beginning operation) and to base cost-effectiveness calculations on such an assumption.

EAI has provided several analyses in support of comments on EPA's AR RH FIP with various assumptions about dates by which Entergy could commit to cease coal-fired operations at White Bluff units and what interim controls would be necessary to satisfy BART requirements under 40 CFR 51 Appendix Y. ADEQ requests that EAI confirm whether such analyses that are already on the record are still accurate. Specifically, please confirm whether the cost-effectiveness values for Dry FGD of approximately $10,400–11,800 per ton under the assumption of four to five years of remaining useful life is still accurate. Additionally, please confirm whether the cost-effectiveness values for Dry FGD of approximately $7,500 to $8,500 per ton under the assumption of six to seven years of remaining useful life is still accurate. Please provide a cost-effectiveness estimate for meeting a 0.6 lb/MMBtu on a 30-day rolling average limit for SO_2

based on the use of low-sulfur coal compared to White Bluff's currently permitted emission limit of 1.2 lb/MMBtu proposed in comments dated August 7, 2015 to EPA on the AR RH FIP.

In addition to verifying cost-effectiveness values already on the record, ADEQ requests that EAI also provide additional supplemental information for consideration. Specifically, please provide an analysis of the expected cost-effectiveness values for Dry FGD with compliance based on the following scenarios: seven to eight years remaining useful life, fifteen years remaining useful life (EPA's assumption for financing control equipment in the IPM model), and nineteen years remaining useful life (sixty years from the start of operations at White Bluff).

We request that EAI provide this supplemental information by 4:30 p.m. on April 21, 2017. Thank you for your prompt response to this request for supplemental information.

Sincerely,

Stuart Spencer
Associate Director, Office of Air Quality