ARKANSAS POLLUTION CONTROL & ECOLOGY COMMISSION
ECONOMIC IMPACT/ENVIRONMENTAL BENEFIT ANALYSIS

Rule Number & Title:	Regulation No. 19, Regulations of the Arkansas Plan of Implementation for Air Pollution Control
Petitioners:	Entergy Arkansas, Inc., Arkansas Electric Cooperative Corporation, the Conway Corporation, City Water and Light Plant of the City of Jonesboro and the West Memphis Utility Commission
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Date Analysis Prepared:	October 1, 2008

2A. ECONOMIC IMPACT

1. Who will be affected economically by this proposed rule? State: a) the specific public and/or private entities affected by this rulemaking, indicating for each category if it is a positive or negative economic effect; and b) provide the estimated number of entities affected by this proposed rule.

a) (i) Entergy Arkansas, Inc. ("Entergy") plans to install the Best Available Retrofit Technology ("BART") scrubbers at the White Bluff facility. The proposed rule provides a positive economic impact for Entergy by removing the potential for financial risks of installation of BART at the White Bluff plant prior to EPA approval of the Arkansas Regional Haze State Implementation Plan.

(ii) Entergy, Arkansas Electric Cooperative Corporation ("AECC"), SWEPCO Customers (positive economic effect)

(iii) Domtar Industries, Inc. (positive economic effect)

(iv) SWEPCO (positive economic effect)

(v) Entergy White Bluff Plant Co-Owners (AECC, Conway Corporation, City Water and Light Plant of the City of Jonesboro and West Memphis Utility Commission, positive economic effect)

b) Eight (8).

2. What are the economic effects of the proposed rule? State: 1) the estimated increased or decreased cost for an average facility to implement the proposed rule, and 2) the estimated total cost to implement the rule.

The increase in cost for the installation of BART emission controls no later than five (5) years of the EPA approval of the Arkansas Regional Haze SIP should be zero to minimal and acceptable to Petitioners against the current financial risk associated with the cost of compliance with emission control requirements currently unapproved by EPA.

3. List any fee changes imposed by this proposal and justification for each.

No fee changes are imposed.

4. What is the probable cost to ADEQ in manpower and associated resources to implement and enforce this proposed change, and what is the source of revenue supporting this proposed rule?

There should not be any additional cost to state government than that associated with existing permitting programs administered by ADEQ.

5. Is there a known beneficial or adverse impact to any other relevant state agency to implement or enforce this proposed rule? Is there any other relevant state agency's rule that could adequately address this issue, or is this proposed rulemaking in conflict with or have any nexus to any other relevant state agency's rule? Identify state agency and/or rule.

There are no known beneficial or adverse impacts to any other relevant state agency to implement or enforce this proposed rule. No other relevant state agency's rule could adequately address this issue. This proposed rulemaking is not in conflict with nor does it have any nexus to any other relevant state agency's rule.

6. Are there any less costly, non-regulatory, or less intrusive methods that would achieve the same purpose of this proposed rule?

No such methods are known.

2B. ENVIRNOMENTAL BENEFIT

1. What issues affecting the environment are addressed by this proposal?

Under the federal Regional Haze Rule, the Arkansas Department of Environmental Quality is obligated to develop a state implementation plan ("SIP") that will reduce emissions of SO_2 and NOx to levels acceptable to EPA under the federal law. In September, 2007, the ADEQ adopted changes to Regulation No. 19, "Plan of Implementation for Air Pollution Control" to require companies to comply with EPA's emission reductions by the earlier of September 13, 2013, or five (5) years after EPA approves the ADEQ SIP.

Therefore, Entergy, AECC and other Arkansas companies must proceed with significant financial investment to meet the early deadline in 2013 for compliance with a state regulatory program required by the federal government which has not received approval from EPA.

The time required for EPA review and possible approval of the proposed SIP is unknown. EPA typically may review the proposed SIP for several months prior to approval. EPA action may be delayed by the change in the federal administration in January, 2009. In addition, due to a federal court decision to vacate the Clean Air Interstate Rule on which ADEQ relied for portions of the SIP, the EPA may reject all or parts of the SIP.

There is significant national uncertainty as to what investments are required to comply with Clean Air Act implementation. In 2008, two (2) EPA regulations were vacated by federal court decisions which affected Entergy Operating Companies (Entergy Arkansas, Entergy Louisiana, Entergy Gulf States Louisiana, Entergy New Orleans, Entergy Gulf States Texas and Entergy Mississippi). The Entergy Operating Companies had previously initiated engineering and construction at a cost of more than twenty-five million dollars to achieve compliance with the Clean Air Mercury Rule and the Clean Air Interstate Rule, which have since been vacated by federal court decisions. The Petitioners have begun engineering work for installation of environmental controls at White Bluff to prepare to comply with the implementation date of September 13, 2013.

ADEQ is not mandated to establish an early compliance date that requires financial investment prior to EPA approval. Based on the uncertainty of compliance requirements with federal regulation and the previous financial affect on the Entergy Operating Companies due to federal court decisions, Petitioners are reluctant to make financial investments on behalf of their customers prior to EPA approval of the ADEQ SIP.

2. How does this proposed rule protect, enhance, or restore the natural environment for the well being of all Arkansans?

The proposed rule change enables industry to proceed with installation of the appropriate approved emission control technology to address visibility impacts at the Caney Creek and the Upper Buffalo Wilderness Area in Arkansas that are designated Federal Class I Areas.

3. What detrimental effect will there be to the environment or to the public health and safety if this proposed rule is not implemented?

None.

4. What risks are addressed by the proposal and to what extent are the risks anticipated to be reduced?

The proposed rule change reduces the potential financial risk to Arkansas electric consumers created by early investments in pollution control equipment not yet approved by the EPA, the final authority on the Regional Haze SIP.