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December 14, 2005

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AIR QUALITY
PLANNING

Ms. Karen Hill
Air Quality Planning and Implementation Division
Texas Commission on Environmental Quality
MC-206, PO Box 13087
Austin, TX 78711

RE East Texas Electric Generating Facility Rules (Rule Log No. 2006-002-117-EN)

Dear Ms. Hill:

I understand that the Texas Commission on Environmental Quality (TCEQ) is considering a revision to their *East Texas Generating Facility Rules* in Chapter 117 of Title 30 of the Administrative Code that would require East Texas electrical generating facilities to meet new, more restrictive NOx emission limits than have already been achieved after years of effort and expense. I am a Director of San Miguel Electric Cooperative, Inc. (San Miguel) locating in far South Texas, which is also included as a part of the East Texas generating group. I write this letter to register my opposition to the contemplated rule revisions for all the reasons discussed below.

I am firmly committed to the protection of our natural resources. I support regulations that aim to protect human health and environment, but only if those regulations are based on sound science and adequately take into account the cost of compliance and the economic impact of the regulation on the area it will be imposed. I oppose the contemplated additional restrictions on East (and South) Texas power plants because they do not appear to be based on sound science and any minor benefit they might achieve is outweighed by the devastating impact they will have on the Texas economy, not to mention the reliability and affordability of electricity in Texas. I request that the TCEQ instead direct its attention to other emission sources before asking the citizens of East and South Texas to pay such a high price to fix the air quality problems of the Dallas-Fort Worth (DFW) or Houston-Galveston non-attainment areas.

Of particular concern to me is that the contemplated emission reductions could force the shut-down of the San Miguel power plant and lignite mine, which currently provides low cost power to my electric cooperative, because there is no commercially demonstrated retrofit technology that could maintain compliance with the contemplated limits. Given the importance of the lignite mining and electrical generating industries to my cooperative, I simply cannot support any rulemaking that would impose such a high price on one industry sector before every other possible source of emission reductions is exhausted.

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TCEQ Staff and Commissioners should know that Texas communities, including county and city governments, schools, and emergency service departments, depend greatly on the nearby lignite mining and generating units for a much needed tax base. These industries provide good jobs for our citizens and schools for our children, so any revisions to Chapter 117 that would jeopardize the continued viability of these industries could have catastrophic consequences to the quality of life in the impacted areas.

I appreciate the opportunity to file written comments at this early stage in TCEQ's rule development, so the TCEQ can be made aware of my concerns with the contemplated rule revisions. I would ask to be notified of whether TCEQ intends to proceed with rule project, which I strongly oppose. I would like also to be notified of alternative avenues that are being pursued to reduce emissions that will have a more direct benefit at a far lower cost than further reductions of emissions from lignite-fired power plants.

Sincerely,



Rick Haile
Director
San Miguel Electric Cooperative, Inc.

RH/rc

Cc: Attached List

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