



August 1, 2016

Gina McCarthy
Administrator
U.S. Environmental Protection Agency
EPA Docket Center, Mail Code: 28221T
1200 Pennsylvania Ave., NW
Washington, DC 20460
via www.regulations.gov

Comments of the National Association of State Energy Officials (NASEO) to the U.S. Environmental Protection Agency (EPA) on the *Draft Guidance on Progress Tracking Metrics, Long-term Strategies, Reasonable Progress Goals and Other Requirements for Regional Haze State Implementation Plans for Second Implementation Period*, **Docket No. EPA-HQ-OAR-2016-0289**

Dear Administrator McCarthy,

The National Association of State Energy Officials (NASEO) appreciates the opportunity to provide the following comments for consideration by the Environmental Protection Agency (EPA) in relation to the *Draft Guidance on Progress Tracking Metrics, Long-term Strategies, Reasonable Progress Goals and Other Requirements for Regional Haze State Implementation Plans for Second Implementation Period* ("Draft Guidance").

NASEO and our 56 governor-designated State and Territory Energy Office members have a history of working with their governors and legislatures to develop energy policies and programs that promote energy system reliability, spur economic development, diversify fuel mixes, provide economic benefits to consumers and businesses, and limit environmental impacts. NASEO has also facilitated collaboration among State Energy Offices, public utility commissions, and environmental agencies (including air regulators) regarding the intersection of energy policies and programs and clean air efforts since the 1980s, including with respect to the NO_x SIP Call and other criteria air pollutant programs and the Clean Power Plan.¹

¹ NASEO along with the National Association of Regulatory Utility Commissioners (NARUC) and the National Association of Clean Air Agencies (NACAA) constitute the "3N" group that has fostered ongoing dialogues on energy-air quality topics.

While taking no position on the underlying Regional Haze Rule and its requirements, we believe it is important for states to have flexibility and the opportunity to craft least-cost compliance options that can support other state energy imperatives, including assuring energy reliability and affordability and supporting state economic objectives. We believe that end-use energy efficiency will often provide lower-cost or least-cost compliance opportunities that support such objectives.

On that basis we are pleased to see that the Draft Guidance acknowledges and encourages states to consider and include energy efficiency (EE) and renewable energy (RE) as emission reduction measures that can support compliance with the rule. This is indicated on page 87 of the Draft Guidance, excerpted here:

Energy efficiency and renewable energy measures

Energy efficiency and renewable energy programs can reduce emissions that contribute to visibility impairment at Class I areas by reducing the need for energy generated by sources that emit visibility-impairing pollutants. We encourage states to consider adopting or strengthening such programs, to make use of available EPA guidance when doing so and to consult with their EPA regional offices on this subject. The Regional Haze Rule does not require a state to incorporate its energy efficiency or renewable energy program into the SIP in enforceable form. Section 9.3 discusses whether the effects of such programs should be incorporated into the RPGs for 2028.

While grateful for this acknowledgement of EE and RE, we are disappointed that the draft provides essentially no guidance to states on *how* to incorporate EE and RE measures as compliance approaches, despite EPA having developed relevant resources to do so. The only other mention of energy efficiency in the Draft Guidance is on page 117:

The recognition of factors that may be limiting emissions but are not enforceable measures, such as voluntary and incentive-based programs (include energy efficiency and renewable energy programs) and market price conditions that might change in the future, is a complex topic. States should consult with their EPA regional offices on this topic if they do not find clear guidance in available EPA guidance on this topic.

In addition to not providing guidance to states on how to use EE and RE measures for Regional Haze Rule compliance, the Draft Guidance's implication is that EE and RE measures include only unenforceable voluntary and incentive-based programs. In reality there are EE and RE programs and policies that are legally mandated, enforceable requirements (e.g., building energy codes, renewable portfolio standards, and energy efficiency resource standards) as well as incentive-based and voluntary programs.

We urge EPA to include in the Guidance more tangible guidance, including reference to existing EPA tools and resources, to help states incorporate EE and RE measures into their Regional Haze State Implementation Plans (SIPs). Some of these tools were initially created to serve related Clean Air Act programs (e.g., for National Ambient Air Quality Standards (NAAQS) SIPs) but are applicable in the Regional Haze Rule context.

In particular the Draft Guidance should cite and explain potential applicability of resources found at the EPA's Incorporating Energy Efficiency and Renewable Energy into State and Tribal Implementation Plans page.² This includes the "Roadmap for Incorporating Energy Efficiency/Renewable Energy Policies and Programs into State and Tribal Implementation Plans" ("Roadmap Manual").³

Among other notable resources are the EPA AVoided Emissions and geneRation Tool (AVERT) for quantification of avoided electrical generating unit emissions from EE and RE projects and resources of the EPA- and U.S. Department of Energy-supported State and Local Energy Efficiency (SEE) Action Network.⁴

Again, we thank EPA for acknowledging and encouraging EE and RE but strongly believe that more specific and practical guidance will be needed by states to incorporate cost-effective EE measures and emerging RE opportunities in their Regional Haze SIPs and related activities. We urge EPA strengthen the Draft Guidance accordingly.

NASEO greatly appreciates the opportunity to provide our comments on the Draft Guidance. We welcome discussion with your staff on this topic and look forward to continuing our dialogue with EPA and the states in the future.

Best regards,

A handwritten signature in blue ink, appearing to read "D. Terry", with a stylized flourish at the end.

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² <https://www.epa.gov/energy-efficiency-and-renewable-energy-sips-and-tips>

³ <https://www.epa.gov/energy-efficiency-and-renewable-energy-sips-and-tips/energy-efficiencyrenewable-energy-roadmap>

⁴ <https://www4.eere.energy.gov/seeaction/>