

ALASKA STATE LEGISLATURE



Juneau
State Capitol Bldg., Rm. 513
Juneau, AK 99801-1182
Phone (907) 465-4976
Fax (907) 465-3883
Toll Free 866-465-4976

Fairbanks
1292 Sadler Way, Ste. 323
Fairbanks, AK 99701
Phone (907) 452-6084
Fax (907) 452-6096

REPRESENTATIVE MIKE KELLY HOUSE DISTRICT 7

Member
House Finance Committee
Legislative Budget & Audit

June 12, 2009

Commissioner Larry Hartig
Alaska Dept. of Environmental Conservation
PO Box 111800
Juneau, Alaska 99801

Re: Healy Plant #1 and the Healy Clean Coal Plant (HCCP)

Dear Commissioner Hartig,

I ask that your department decline to impose additional, unwarranted emission limits proposed by the National Park Service (NPS) as a condition of continued operation of Healy Plant #1. I understand ADEC is considering requiring that Selective Catalytic Reduction equipment be installed along with increased sorbent injection. Such requirements for this existing plant are inappropriate and ignore complex conditions, commitments, negotiations and expenditures leading up to the permitting and construction of the experimental HCCP project located adjacent to Healy #1.

The NPS proposal is cost prohibitive, will not result in a discernable visibility benefit, and is disingenuous considering that NPS already extracted a costly upgrade and retrofit of Healy #1, which was not required by law, as a condition of removing their objection to the HCCP permit issuance. The initial capital costs for adding these proposed emission control measures would involve millions of dollars and the increased complexity and cost of annual operation and maintenance would be significant. These additional costs would have to be borne by the 90,000 owner-consumers of our GVEA Co-op and would result in a significant energy cost increase. At a time when Interior Alaskans are struggling with the highest energy costs in the nation, this proposal is particularly alarming and defies common sense. Please stand up for Interior Alaskans and tell the NPS and the EPA that enough is enough. Perhaps NPS should spend their energy solving the very visible, very obnoxious emissions from their park road.

A little history might refresh your memory. In order to satisfy NPS and get the HCCP permit approved, GVEA and AIDEA agreed to install additional emission controls on the existing Healy Plant #1 in order to offset emissions from the new HCCP, a 50 MW plant then being constructed next to Healy #1. These costly measures allowed Healy 1 to reduce its allowable emissions by over 50%. In 1998, GVEA and AIDEA completed the \$12 million retrofit of Healy

#1 and it has consistently delivered targeted lower emissions and has received national recognition. As you may know Alaska has a tremendous supply of the lowest sulfur coal in the U.S. and our SO2 emissions are lower before sulfur removal than most coal-fired stack effluent after treatment. In addition, the new HCCP Plant met all EPA/ADEC emission requirements during the test run. So what was the environmental effect of all this in lay terms? It simply means that the two plants (Healy #1 and HCCP) produced three times the power with lower controlled emissions than Healy #1 standing alone before retrofit. And the special cameras in the Denali Park registered no negative impact. ADEC's own reports concluded that the likely culprit of any haze events was forest fire emissions and international transport. Your report appropriately did not mention Healy power plant production as a cause for any haze and decreased visibility within Denali Park which I believe has the cleanest air shed in the NPS system.

Thank you for the opportunity to provide public comment. I ask you to stand up for Interior Alaska ratepayers against the over-reaching NPS when it comes to Healy #1 and HCCP regulation. Please let me know if I can be of further assistance or if I can provide you with additional information.

Best Regards,



Mike Kelly

cc: Governor Sarah Palin
U.S. Senator Lisa Murkowski
U.S. Senator Mark Begich
U.S. Representative Don Young
Alaska Interior Delegation
Rebecca Smith, Environmental Program Specialist - ADEC
Ted Leonard, Executive Director – AIDEA
Steve Haagenson, Executive Director – Alaska Energy Authority
Bill Nordmark, Chairman – GVEA Board of Directors
Brian Newton, CEO – GVEA