

HENRY M. JACKSON, WASH., CHAIRMAN  
FRANK R. RAINCO, IDAHO  
LEE METCALF, MONT.  
J. BENNETT JOHNSTON, LA.  
JAMES H. BOUREEK, S. DAK.  
FLOY HASKELL, COLO.  
DALL PERS, ARK.  
WENDELL H. FORD, KY.  
JOHN A. DURKIN, N.H.  
HOWARD M. METZENBAUM, OHIO  
SPARK M. MATSUNAGA, HAWAII  
CLIFFORD P. HANSEN, WYO.  
MARK O. MATFIELD, OREG.  
JAMES A. NICCLURE, IDAHO  
DEWEY F. BARTLETT, OKLA.  
LOWELL P. WICKER, JR., CONN.  
PETE V. DOMENICI, N. MEX.  
PAUL LAXALT, NEV.

# United States Senate

COMMITTEE ON  
ENERGY AND NATURAL RESOURCES

WASHINGTON, D.C. 20510

June 23, 1978

GREVILLE GARSIDE, STAFF DIRECTOR AND COUNSEL  
DANIEL A. DREYFUS, DEPUTY STAFF DIRECTOR FOR LEGISLATION  
D. MICHAEL HARVEY, CHIEF COUNSEL  
W. O. CRAFT, JR., MINORITY COUNSEL

The President  
The White House  
Washington, D.C.

Dear Mr. President:

The draft regulations now under consideration by the Environmental Protection Agency for the establishment of New Source Performance Standards for fossil fuel fired generating sources and the implication of these draft standards for America's energy goals have recently been brought to our attention. Since the final decision on this matter will no doubt reach your desk, we wish to communicate to you our grave concern and distress regarding these proposed regulations.

Under Section 111 of the Clean Air Act, amended by the Congress in 1977, the Administrator of the Environmental Protection Agency is required to promulgate, prior to August 8, 1978, new source performance standards for coal fired steam electric plants reflecting "the degree of emission limitation and the percentage reduction achievable through application of the best technological system of continuous emission reduction which the Administrator determines has been adequately demonstrated." In making his decision, the Administrator is required to consider "cost", "nonair quality health and environmental impact" as well as "energy requirements." As the result of an accord reached during the House-Senate Conference on the Clean Air Act Amendments, the Administrator may deviate from a uniform national percentage reduction requirement by setting a range of SO<sub>2</sub> reduction that reflects varying fuel characteristics providing that such a departure does not do damage to "the use of locally available fuels." Clearly the Congress achieved a balance which while protecting locally available fuels, would permit the promulgation of regulations reflective of the nature of fuels being burned.

However, the draft regulations prepared by the Environmental Protection Agency propose an emission's floor of .2 lbs SO<sub>2</sub> per million BTU while requiring 85% sulfur removal on a daily basis. Interestingly enough, the Environmental Protection

continued --

Page Two  
The President  
June 23, 1978

Agency chose to retain the existing ceiling on SO<sub>2</sub> emissions. To meet this standard, scrubber design removal efficiency would need to be 90% or more to allow for variability in daily performance. This proposal does not contain any provision reflective of varying fuel characteristics thus necessitating full scrubbing on all but the lowest sulfur fuels.

Recent studies prepared for both the Department of Energy and the Environmental Protection Agency indicate that the impact of these draft regulations as compared to alternatives presented by the Department of Energy could well be devastating:

--oil and gas consumption by utilities in 1990 would increase by 300,000 - 700,000 barrels a day;

--present value costs of 1990 pollution control requirements would range between \$13 and 35 billion;

--in some areas of the country, air quality would deteriorate;

--the marketability of western coal would decrease, resulting in a significant drop in western coal exported to the midwest, a decline which would in large part be unaccompanied by a commensurate increase in midwestern or eastern coal production.

For well over a year, this Congress has dealt with the National Energy Plan which you proposed in April of 1977. While reasonable men have disagreed as to the method and means of achieving the goals delineated in your program, no one can question the need to conserve while increasing the development and production of our nation's energy resources. Now, after months of careful and dedicated effort by the Congress, at a time when a final resolution of the energy package appears likely, we are faced with the specter of a regulation, promulgated by the Environmental Protection Agency, which could erase much of the savings made through conservation while rendering highly questionable the achievement of our national coal production goals.

The Congress has provided sufficient authority for the Administrator to establish New Source Performance Standards reflecting varying fuel characteristics, providing that no

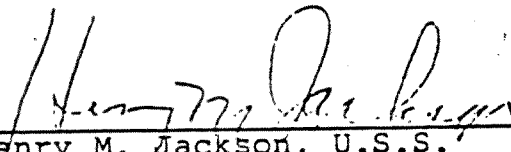
continued --

Page Three  
The President  
June 23, 1978

adverse impact occurs with regard to the production of locally available fuels. Since recent studies indicate that the presence of the Best Available Control Technology (BACT) requirement alone -- without a uniform 85% or 90% sulfur dioxide reduction provision -- will boost demand for midwestern and eastern coal markets substantially beyond their present levels of production, that standard may already have been met.

It is imperative therefore that any New Source Performance Standards for fossil fuel fired stationary sources adopted by the EPA depart from a uniform national standard in order that the hard fought gains of national energy legislation not be sacrificed for what are, in the main, non-environmental objectives. We urge that you move with all due speed in bringing EPA's action on this matter into accord with America's energy needs and this Congress' demonstrated intent.

Sincerely,

  
Henry M. Jackson, U.S.S.

  
Clifford P. Hansen, U.S.S.