

May 15, 2017

Submitted electronically via: <http://www.regulations.gov>

Docket ID: EPA-HQ-OA-2017-0190

Samantha K. Dravis
Regulatory Reform Officer and Assoc. Adm., Office of Policy
U.S. Environmental Protection Agency
William Jefferson Clinton Building
1200 Pennsylvania Avenue, N.W.
Washington, DC 20460

Re: Evaluation of Existing Regulations (April 13, 2017)

Dear Ms. Dravis:

Basin Electric Power Cooperative (**Basin Electric**) appreciates this opportunity to submit comments on the U.S. Environmental Protection Agency's (EPA) Evaluation of Existing Regulations.

Basin Electric submits these comments electronically to docket ID EPA-HQ-OA-2017-0190 as noticed in the *Federal Register* at 82 Fed. Reg. 17793 (April 13, 2017), in accordance with the instructions in EPA's request for comment.

Basin Electric is a generation and transmission cooperative based in Bismarck, North Dakota, serving more than three million consumers through 141 rural electric cooperatives across nine states. Currently about 50 percent of Basin Electric's 6,031-MW generation capacity is coal based and more than 20 percent is renewable energy. As a not-for-profit cooperative, all of the regulatory costs we incur are ultimately paid by our consumer member owners through their utility bills. Moreover, any regulatory approach that dictates wholesale changes in the way utilities operate threatens to undermine the reliability of the electric grid and our ability to provide this essential service to rural America. While we have a long-standing history and culture of environmental stewardship and renewable energy, we appreciate the Administration's effort to reform key regulatory policies.

Basin Electric was one of the first utilities in the country to include environmental considerations in our core principles. We required coal mine reclamation as part of our coal supply contracts more than 50 years ago, before any state required reclamation. We have invested \$1.4 billion in state-of-the-art environmental controls on all of our power plants, plus we have spent nearly \$1 billion over the last eight years to comply with new rules. Our subsidiary, Dakota Gasification Company, provides CO₂ to one of the world's largest sequestration projects.

Being proactive and investing in innovations like this have come at a cost. First and foremost, the U.S. lacks a comprehensive energy plan. As a result of Congress's inability to pass energy

legislation, energy policy has been developed piecemeal through the regulatory process at EPA. Subjecting utilities to oversight that is governed by the political whims of whichever party is in power severely limits our ability to make sound long-term decisions regarding electric generation and, at times, forces us to make illogical, costly decisions to meet regulatory demands at a significant cost to our rural member owners. This is neither good for the environment nor the industry, and is not in the best interests of our consumer owners who are left paying the bill.

The energy industry has made great strides in reducing pollution and protecting the environment in the last 50 years. The law should be used to make and enforce necessary and prudent regulations aimed at continuing to protect the environment in a cost-effective manner, not as a club to force fundamental changes in how electricity is produced or to unfairly penalize electric utilities. Regulations need to be fair and reasonable, not all or nothing. Carbon constrained does not mean zero carbon. We encourage our elected leaders to work together to find reasonable, common-sense solutions that actually accomplish goals, rather than constantly redefining those goals and moving the goal posts.

As you proceed with your regulatory review, we encourage you to focus on several key areas:

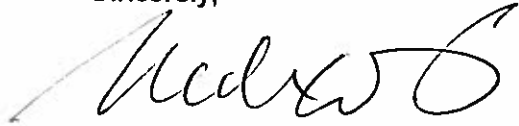
1. Regulate in a way that follows the Clean Air Act and Clean Water Act as written, free from political pressures and aspirations. Utilities plan for their future decades in advance, not on a two- or four-year election cycle.
2. State authority is a central part of the Clean Air Act and EPA should continue to support states in their regulatory efforts, not second-guess them at every turn. States need primacy and flexibility to develop and implement plans that best fit their individual and regional needs.
3. Rules should be based on actual data and not on models and creative assumptions, so they can achieve the goal of protecting the public health rather than threatening the reliability of the electric grid.
4. Consider the varying types of fuel used in different parts of the country. Lignite coal is much different from eastern or western coals and technology should fit the fuel, not the other way around. Energy and environmental policy should allow for all forms of energy production and encourage innovation. This approach will allow new cost-effective advancements in generation and pollution controls to be developed.
5. Utilities need certainty so they can accommodate for load growth, ensure their plants are able to operate economically for their remaining lives and take into consideration the work we've already done. Any regulatory effort should recognize that significant technology investments have already been made to our nation's power plants, and any new proposals that ignore this fact will do more harm than good - for our nation and our consumer owners.

Basin Electric incorporates the comments provided by the National Rural Electric Cooperative Association by reference.

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Thank you for the opportunity to submit these comments. If you have any questions or require additional information, please contact Mark Foss or Mike Paul at (701) 223-0441.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark D. Foss". The signature is fluid and cursive, with a large initial "M" and a long, sweeping underline.

Mark D. Foss
Senior Vice President & General Counsel
Office of General Counsel

mdf/mw