

Congress of the United States
Washington, DC 20515

November 23, 2015

The Honorable Hal Rogers
Chairman
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Ken Calvert
Chairman
Subcommittee on Interior & Environment
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Rogers and Subcommittee Chairman Calvert:

We write today to express grave concerns regarding the Environmental Protection Agency's (EPA) final rule for carbon emissions standards on existing power plants under section 111(d) of the Clean Air Act.

As you are both aware, on October 23, 2015, the EPA published the final rule for existing power plants in the *Federal Register*, it is our understanding that it will require Florida to cut its power-sector carbon emissions rate by 26 percent, below 2012 levels, by 2030. While this target appears to be less stringent than the 38 percent reduction initially prescribed to our state in the proposed rule, Floridian stakeholders remain deeply concerned it still does not accommodate our state's generation demands. As such, electric utilities, especially cooperative utilities and cooperative generation and transmission ("G&T") utilities like the Seminole Electric Cooperative ("Seminole"), will be adversely affected, spurring negative direct and indirect impacts across our state. Ultimately, these impacts will be the burden of the co-op member at the end of the line who will have to pay more for electricity, and may have reliability concerns until replacement generation can be secured.

Florida's 18 electric cooperatives currently provide over 2.3 million Floridians with electricity and more than 3,000 jobs in Florida. Seminole, a not-for-profit G&T headquartered in the greater Tampa Bay region, serves roughly 1.4 million of these residents and businesses in Florida via nine member distribution electric cooperatives ("Members"). Seminole and its Members provide essential electric service in primarily rural and low-income areas of Florida stretching from west of Tallahassee to south of Lake Okeechobee. Approximately one-third of Seminole's residential customers have household incomes below the poverty level.

Seminole operates two power generating facilities that could fail to meet the emissions requirements of the 111(d) regulation. The Seminole Generating Station ("SGS") a coal-fired facility, was designed and constructed during a period when coal was essentially the only option for new generation. In 1978, the U.S. enacted the Powerplant and Industrial Fuel Use Act, which restricted new power plants from using oil or natural gas and expressly encouraged the use of coal. SGS came online in 1984. The Act was not repealed until 1987.

The Seminole Generating Station has a long-remaining useful life, through 2045, and is financed through 2042. If compliance with the final 111(d) rule requires Seminole to close this facility, it will become a stranded asset, requiring Seminole's members to continue to pay for SGS through 2042, while also incurring costs to secure or develop a new source of electricity.

Closing or curtailing SGS's operations to comply with the 111(d) rule will also result in substantial layoffs in an area with already limited employment opportunities. Putnam County, Florida, where SGS is located, was identified by *USA Today* as the poorest county in the state of Florida in 2015. SGS currently provides over 300 direct jobs there and indirectly employs hundreds of additional skilled contractors that work at the plant during maintenance outages and capital project implementation. For instance, between 400 and 650 contract employees worked at SGS during maintenance outages from 2012 to 2014.

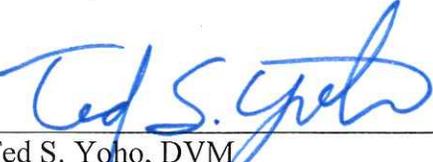
The indirect impacts of a diminished workforce at SGS will have a domino impact on critical local tax revenue. SGS is currently the largest taxpayer in Putnam County, paying more than \$5 million in property taxes in both 2013 and 2014.

Finally, Seminole operates the Midulla Generating Station ("MGS"), a combined-cycle natural gas-fired facility. MGS began commercial operation in 2002 and was state-of-the-art technology. Though this facility is natural gas-fired, its natural gas combined cycle unit does not meet the emissions rate requirements laid out in the final rule. If compliance with the final 111(d) rule requires Seminole to close this unit, it too will become a stranded asset.

As you can see, the final 111(d) poses a threat to the future of Seminole, therefore raising Floridian's concerns of a domino impact on electric generation, reliability, compliance costs, stranded assets with required continued payments, job loss and diminished local tax revenue. As we continue to weigh the impacts that the EPA's 111(d) regulations will have on our constituents and on the state of Florida, we would ask that you, as Chairmen, continue to fight to maintain the strongest language possible to restrict or delay the 111(d) regulation in year-end FY 2016 spending negotiations.

Should you or your staff have any questions or concerns, please do not hesitate to contact Larry Calhoun at (202) 225-5744 or at larry.calhoun@mail.house.gov. Thank you for your time and attention to this matter.

Sincerely,



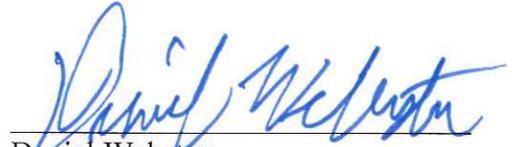
Ted S. Yoho, DVM
Member of Congress



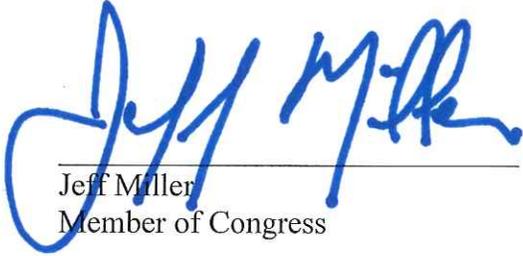
Ron DeSantis
Member of Congress



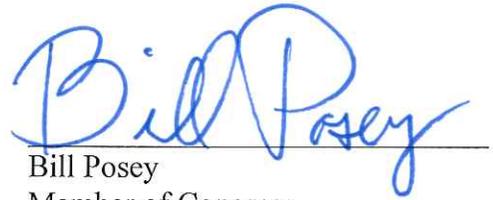
Gus Bilirakis
Member of Congress



Daniel Webster
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Jeff Miller
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Bill Posey
Member of Congress