

**Prepared Remarks for Public Hearing
Federal Proposed Final Implementation Plans for Regional Haze**

Docket ID No. EPA-R08-OAR-2012-0026

July 26, 2013

**Testimony of
Michael E. Easley
Chief Executive Officer
Powder River Energy Corporation
Sundance, Wyoming**

Good afternoon and thank you for allowing me to appear today. My name is Mike Easley. I am the Chief Executive Officer of Powder River Energy Corporation (PRECorp), the largest electric cooperative in Wyoming.

Electricity affordability and responsible regulation are increasingly important issues to the State of Wyoming, its electric utilities, and the customers we are all privileged to serve. My perspective begins with that of the individual customer at the end of the line and expands to a broader perspective.

PRECorp is a customer-owned electric utility and the largest electric cooperative in Wyoming, serving 350 MW of industrial, commercial, and rural residential customers. Our cooperative was formed in 1945 by a group of concerned citizens who decided not to wait for electricity to be brought to them. Instead, they brought electricity to themselves. PRECorp's service area covers 17,100 square miles in northeast Wyoming and southern Montana. Our service territory is larger than the States of Massachusetts and New Hampshire combined. Powder River Energy is unique among rural electric cooperatives due to our high percentage of industrial and commercial load, a good portion of which is providing electric service to coal, natural gas and oil companies in the Powder River Basin.

I would like to share with you PRECorp's Mission Statement – “ Powder River Energy, your electric cooperative, will deliver high quality, competitively-priced electric power and services to our member-owners, while enhancing the quality of life by providing leadership and service in our communities.”

As a part of that mission, we have identified areas where we believe member and community engagement are critical to our communities and the membership. We strive to assure that members are connected to cooperative issues through innovation, education, and communication. We also support and encourage political relevancy in

areas where there is impact to our member-owners. Lastly we strive to maintain a proactively balanced regulatory framework.

The Governor of Wyoming has shared his concerns with the recently prepared Federal Implementation Plan (FIP) for Regional Haze. He cites four separate items. 1. The EPA proposal harms rate payers. 2. The EPA plan is unreasonable. 3. The EPA proposal has not been a cooperative effort and does not give deference to states as Congress mandated. 4. Winners and Losers are created through an agenda driven regulatory process.

The CEO of Basin Electric, Andrew Serri's concerns echo those of Governor Mead concerning the requirement to add control equipment installation at the Laramie River Station. These proposed FIP additions make no visible difference in the regional haze amounts in Wyoming other than the additional revenue needed to place the FIP in effect. And, the proposed additions are clearly not cost effective.

PRECorp's objective is to maintain a balanced regulatory framework. The proposed EPA FIP clearly tips the scales in favor of costly regulation, with little to no gain for the citizens of Wyoming. The EPA's FIP would cost an additional \$1.2 billion more than Wyoming's SIP over the next 20 years. Adding over \$1 billion for the Federal regulatory requirements and then millions in annual costs towards the administration and oversight is arbitrary and certainly an abuse of the discretion the EPA could have exercised. Wyoming has always been a proactive leader in managing its energy and natural resources and Powder River Energy, its largest electrical cooperative has shown leadership in this area as well.

Our member-owners have been proactive in managing many regulatory requirements, Spill Prevention in our substations, Avian and Sage Grouse Protection of our power lines. We proudly spend hundreds of thousands of dollars each and every year because we understand how to balance the conflicts between the environment and the impacts of our existence on it. The benefits are tangible and costs are reasonable.

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This is clearly not the case with the proposed takeover of Wyoming air quality program by the EPA. Speaking on behalf of our 12,000 members we urge the EPA to withdraw its FIP and to approve Wyoming's plan in its entirety.

Thank you for the opportunity to testify.