



Entergy Services, Inc.
425 West Capitol Avenue
P. O. Box 551
Little Rock, AR 72203-0551
Tel. 501-377-5760
Fax 501-377-5814
kmcque1@entergy.com

Kelly McQueen
Assistant General Counsel

April 3, 2018

Ms. Tricia Treece
Office of Air Quality
Arkansas Department of Environmental Quality
5301 Northshore Drive
North Little Rock, AR 72118

Re: Supplement to Comments Submitted by Entergy Arkansas, Inc. on ADEQ's Draft Phase II Regional Haze SIP: SO₂ Compliance Deadline for White Bluff Electric Generating Station

Dear Ms. Treece:

On February 2, 2018, Entergy Arkansas, Inc. ("EAI") submitted comments on the draft Phase II state implementation plan ("SIP") to address certain regional haze requirements, which ADEQ released for comment on October 31, 2017 ("Draft SIP"). The Draft SIP proposed rolling 30-boiler operating day sulfur dioxide ("SO₂") limits of 0.6 lb/mmBTU for each of the two coal-fired electric generating units at White Bluff. The SO₂ limits are based on ADEQ's determination that a switch to low sulfur coal constitutes best available retrofit technology ("BART") for the White Bluff units. ADEQ proposed a compliance deadline of three years from the date of the U.S. EPA's final approval of the SIP to allow EAI sufficient time to make the switch to low sulfur coal at White Bluff.

As a follow up to public comments on the Draft SIP, ADEQ has requested additional support for EAI's need for three years to meet the SO₂ BART limits. As EAI explained in its comments on the Draft SIP, the company's practice is to contract for a portion of its coal supply for up to three years in advance and the company also is required to keep a reserve supply of coal on site to ensure that the White Bluff units can continue to operate in the event of a fuel supply disruption. EAI Comments on the Draft SIP at 7-8 (Feb. 2, 2018).

The current coal contracts limit the sulfur content of delivered coal to 1.2 lb/mmBTU or less. Although the coal delivered to White Bluff has lately been of lower sulfur content, our experience is that the sulfur content can vary widely, which means that White Bluff cannot ensure that it will receive coal with a low enough sulfur content to ensure compliance with the BART SO₂ limits until the company has had sufficient time to negotiate new contracts and the existing coal pile has been depleted and replaced with lower sulfur content coal. This is because, even if EAI were to purchase lower sulfur coal for the uncontracted portion of its projected coal supply needs over the next few years, White Bluff does not have fuel blending capability on site sufficient to ensure compliance with the SO₂ BART limits. Although the plant can achieve crude fuel “blending” by simultaneously feeding coal from the stockpile and directly from a train, the plant does not track the sulfur content of coal fed onto the stockpile and thus cannot accurately calculate the expected SO₂ emissions where a portion of the total coal feed is from the stockpile and a portion is fed directly from a train. In addition, due to minimum belt speeds, this crude blending ability is limited at low-load and/or single-unit operating scenarios.

For the next three years, EAI forecasts its coal consumption to be between 11.5 and 12.4 million tons per year, approximately half of which can be attributed to White Bluff. EAI currently has contracted for 9.9 million tons of coal for 2018 under the sulfur specification of <.9 lbs/mmBtu. For 2019, the forecast is for 11.5 million tons of coal, approximately 6 million tons of which already has been contracted with a sulfur specification of <.7 lbs/mmBtu. For 2020, EAI forecasts needing 12.4 million tons, and has contacted for 3 million tons to date, also with a sulfur specification of <.7 lbs/mmBtu. If EAI were to cancel its current contracts, the company would face significant financial penalties. The contractual provisions relating to penalties for cancellation are confidential and could be subject to litigation, so EAI is unable to divulge this information to ADEQ. Before making any purchasing decisions on lower sulfur coal that has not previously been used at White Bluff, EAI will need to allow time to conduct test burns.

Given the current coal contracts and the fuel blending limitations, it would be difficult for the White Bluff units to assure compliance in less than three years with the rolling 30-boiler operating day SO₂ emission limits of 0.6 lb/mmBTU and the plant would risk exceeding the limits. Accordingly, EAI requests that ADEQ finalize a three-year compliance deadline for the White Bluff units to meet the SO₂ BART limits.

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If you have any questions about this information, please contact David Triplett at (501) 377-4030.

Sincerely,

A handwritten signature in black ink, appearing to read "K McQueen", with a long, sweeping horizontal flourish extending to the right.

Kelly M. McQueen
Assistant General Counsel – Environmental (Lead)
Entergy Services, Inc.