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FILED

Sep 21, 2012

Jim Ruby, Executive Secretary
Environmental Quality Council

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September 19, 2012

Mr. Steven A. Dietrich, Administrator
Wyoming Department of Environmental Quality/AQD
Herschler Building 2-E
122 W. 25th Street
Cheyenne, WY 82002



RE: Proposed Greenhouse Gas Permitting Regulations

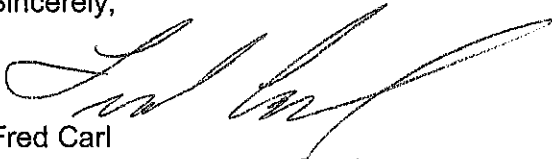
Dear Mr. Dietrich:

Black Hills Corporation submits the following comments in support of the proposed regulations that will allow the State to have primacy in regards to permitting facilities for greenhouse gas emissions (GHG).

- Wyoming industries are currently regulated for GHG emissions under an EPA Federal Implementation Plan (FIP), due to State statute W.S. 35-11-213, which prevents the Department from regulating such emissions. As EPA has issued its final Tailoring Rule, facilities in Wyoming are subsequently required to undergo a dual permitting process and obtain permits from Wyoming's Department of Environmental Quality (WDEQ) as well as a GHG permit from EPA. Wyoming facilities are currently in the position of being subject to different administrative processes, two separate agencies for air permit enforcement matters, permit modifications, etc. Obtaining a GHG permit from EPA entails additional reviews and approvals, such as Environmental Justice, Endangered Species and Historic Preservation. Appeals of a GHG air permit for a Wyoming facility are currently out of the hands of the WDEQ.
- EPA continues to move forward with additional GHG related regulations, further compounding the current dual permitting situation in Wyoming. An issue in point is EPA's recently proposed CO₂ New Source Performance Standard.
- In the fall of 2011, a broad based industry work group, together with the WDEQ, Governor's Office and State Legislature formulated a work group whose efforts culminated in SF0086 which amended W.S. 35-11-213, allowing the Division to start the process to take over primacy for this program. The same workgroup met again on July 3, recommending the State continue to move toward achieving primacy over GHG permit regulations.
- Black Hills Corporation has several subsidiaries doing business in Wyoming in the areas of power generation, gas and electric distribution and oil and gas exploration and production. Wyoming having primacy over the entire air permitting process is critical to the planning process for asset development, certainty for project operations and cost control for our customers.

Black Hills supports the concept of the State of Wyoming having full regulatory authority over the industries in its' State. Adoption of these proposed regulations is a critical step in that process. We appreciate the opportunity to comment and are available for questions at any time.

Sincerely,

A handwritten signature in black ink, appearing to read 'Fred Carl', written in a cursive style.

Fred Carl
Director Environmental Services
Black Hills Corporation

Cc Mark Lux, VP and General Manager, Power Delivery; BHC
Greg Hager, VP and General Manager, Wyoming Generation; BHC