

August 8, 2012

Illinois Pollution Control Board  
c/o John Therriault  
Assistant Clerk of the Board  
James R. Thompson Center  
100 W. Randolph  
Suite 11-500  
Chicago, Illinois 60601

PC# 2411

Re: AER request for variance Docket No. PCB 2012-126

Dear Members of the IPCB,

I fully support Ameren Energy Resources' (AER) request for variance and strongly ask that you grant their request.

I applaud the IEPA and IPCB in their efforts to better our environment for our citizens and the good of all. Everyone shares the responsibility of being good stewards of our communities and AER is not disposed of that responsibility. We should always do everything within our means to better the environment for which we all live, for the citizens, people, and the environment itself. However, in reading the opposing contentions, primarily healthcare impact and economic impact, of this issue and following up with some focused research of my own, I have come to one indisputable truth: The economic impact is far greater than the contended savings in healthcare cost.

In several publications (and in most opposing letters to the board) by the EPA there have unsubstantiated cost benefit of about 2 billion dollars in retrofits to save 200 billion dollars in healthcare costs. I call these numbers unsubstantiated because there were no references to any unbiased scientific study. They were merely based upon the annual cost of respiratory illness projected out for four years. In reality, despite the billions of dollars previously spent converting plants to low sulfur coal, selective catalytic reduction (SCR) installs, precipitator upgrades, Flue Gas Desulfurization installs, and drastic reductions in transportation emissions, studies from the National Health Institute and Center for Disease Control report a 50% rise in respiratory illness exceeding \$50 Billion in healthcare cost per year. The steps taken to this point have not resulted in the healthcare savings that were previously expected. I don't think a few years delay in meeting the new regulatory requirements will cause much impact if any on the healthcare concerns of the opposition.

As for the economic impact, supply and demand is a very finite reality. The number of fossil fueled plants destined to close due to non-compliance with the 2015 Multi-Pollutant Standard (MPS) will significantly reduce the supply of power on the market. A recent EPA publication proposes that the impact will be a minimal 1% increase to consumers but I don't think they considered the past performance trends within the real PJM and MISO markets. A 10-20 degree rise in ambient temperature alone raises the cost of power by more than 30% from the normal price. On a high demand day I've seen the market price increase more than 60 times the normal rate if just one average size plant goes off the grid. The auctioned price of power for 2015 in the PJM market was 10 times today's rate based on the supply and demand effect of the MPS. Aside from the lost tax revenue and job reduction required to comply in 2015, the consumer cost effect will be greater than anyone is estimating, and with little tangible benefit to be realized.

AER has an impeccable record of stewardship with the community and with sustained compliance with the environmental standards required by the representatives of the citizens of Illinois. In this case, AER will continue to be a driving factor in making our air and environment cleaner and more livable for our communities. A relatively short delay in meeting the new standard is not only the right thing to do; it is the prudent thing to do.

Sincerely,

Patrick M. Foley  
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