



TRI-STATE GENERATION AND TRANSMISSION ASSOCIATION, INC.

HEADQUARTERS: P.O. BOX 33695 DENVER, COLORADO 80233-0695 303-452-6111

June 13, 2007

Lany Weaver and Brad Musick
New Mexico Environment Department
Air Quality Bureau
2048 Galisteo
Santa Fe, NM 87505

Re: Draft New Mexico Greenhouse Gas Reporting Regulation - May 30, 2007 Version

Dear Ms. Weaver and Mr. Musick:

Tri-State Generation and Transmission Association, Inc. (Tri-State) is a wholesale electric power supplier owned by the 44 electric cooperatives that it serves. Tri-State generates and transports electricity to its member systems throughout a 250,000 square-mile service territory across Colorado, Nebraska, New Mexico, and Wyoming. Tri-State owns and operates the coal-fired Escalante Generating Station located near Prewitt, NM and four simple cycle dual fuel (natural gas and diesel) combustion turbines at the Pyramid Generating Station near Lordsburg, NM. Tri-State also owns and operates approximately 1,000 miles of high voltage transmission lines and 45 substations to serve our 12 distribution cooperatives located in New Mexico. Tri-State will be subject to the greenhouse gas reporting regulations that are being developed by the New Mexico Environment Department (NMED).

Tri-State appreciates the opportunity to participate in your stakeholder process concerning greenhouse gas reporting. We offer the following comments for your consideration regarding draft regulatory language that was distributed by NMED on May 30, 2007.

Part 87 Greenhouse Gas Emissions Reporting

1. Part 87 in general, more clarity and consistency of terms used throughout the regulation are needed. For example, Element 2 of the "Revised Concept for Proposal in Response to Comments" (Element 2) that was distributed during the stakeholder meeting held May 24, 2007 in Santa Fe implies entity-wide (i.e. corporate level) reporting but the current draft language still seems to use "facility" throughout the regulation. The term entity is mentioned in 20.2.87.200.C, but is not defined. The terms "facility" and "source" seem to be used interchangeably in Parts 87 and 73, but their definitions are different. The definition for "equity share" found at 20.2.87.7.F refers to economic interest held in an operation, but operation is not defined in the regulations.



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2. Section 7 – Definitions. Tri-State attended a presentation recently regarding the calculation of carbon dioxide equivalents that seemed to indicate there is still quite a bit of debate in the scientific community as to the correct methodology for calculating equivalents. We suggest that the language in this rule remains general to calculate the equivalent in a pre-approved or acceptable manner rather than tie it down to one method at this preliminary stage. NMED needs to follow this issue closely in anticipation of reporting for all six greenhouse gases (GHG).
3. Section 200 – Applicability. The proposed regulation seems to require facility level reporting, but during discussions with NMED representatives held in previous power plant break out sessions system wide reporting of greenhouse gas emissions, specifically SF₆ had been mentioned. We support facility reporting.
4. Section 201 - Greenhouse Gas Emissions Reporting Requirements. Section 201.A. Tri-State supports the concept presented by NMED in Element 2 of reporting only CO₂ emissions for the first three reporting years 2008, 2009, and 2010. Perhaps it would be helpful to refer to phases with Phase I being CO₂ reporting only and Phase II referring to reporting of all of the GHG.
5. Section 201.B - Additional clarification is needed. Direct reporting of GHG seems to have been omitted. Element 2 states the remainder of the six Kyoto GHG will be reported in the fourth year. Tri-State interprets this to mean collection of data on all GHG in 2011 with the first reporting in 2012. We support this concept as time will be needed for the regulated community to implement processes and procedures to collect data to track and inventory the five additional GHG. Additional clarification should be provided regarding the reporting of indirect emissions of GHG referenced the Section 201.B.(2). It would seem that if this was consistent with Element 2, first data collection would start in 2011 with first reporting in 2012.
6. Section 202 - Greenhouse Gas Emissions Reporting Procedures. Section 202.A. The proposed regulation refers to annual reporting of GHGs, but NMED representatives have stated in previous meetings that annual reporting may not be required.
7. Section 202.B. - The GHG emissions reporting tool and procedures will be extremely important to the regulated community and the success of this program. Tri-State continues to be concerned that providing this information only 60 days in advance is not a sufficient amount of time to allow for comments, interaction, and implementation. Tri-State requests consideration of having a draft prepared 120 days in advance of the reporting year. This will be especially critical in the fall of 2010 prior to the initiation of data collection for the other five GHG in 2011 which will be considerably more complicated than the phase I CO₂ data collection.
8. Section 202.C. A certification protocol is mentioned, will this protocol be made available for public comment? Will the public be allowed to comment on the criteria that will be used to qualify third party verifiers mentioned in 202.C (1) and (2)?



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Part 73 Notice of Intent and Emissions Inventory Requirements

9. It is unclear to Tri-State why regulatory language needs to be added to Part 73? It seems like the language for Part 87 is very complete and that Part 73 is not necessary.
10. Part 73. Section 300.B. (7) requires reporting by April 1st, Part 87.202.D. requires reporting by July 1st. Tri-State supports reporting of GHG emissions by July 1st of the year following the reporting year.

Thank you for this opportunity to provide comments. Please contact Martin Rehm or me at 303-452-6111 if you have questions concerning this letter.

Sincerely,

Barbara A. Walz
Vice President Environmental

BAW:MAR:td

cc: Mac McLennan
Jerry A. Walker