

South Carolina Department of Natural Resources



John E. Frampton
Director

February 6, 2009

Mr. C. Earl Hunter, Commissioner
SC Department of Health and Environmental Control
2600 Bull Street
Columbia, SC 29201

REFERENCE: Santee Cooper Proposed Pee Dee Electric Generation Station

Dear Mr. Hunter,

I am writing you to formally state the position of the Department of Natural Resources (DNR) regarding the Santee Cooper (SC Public Service Authority) proposed Pee Dee Electric Generation Station. DNR is opposed to the permitting, construction and operation of this facility. This position is based on a careful and measured examination of the likely environmental impacts associated with the operation of a coal fired generation facility of this description. As Director of DNR I am obligated and proud to stand for the protection of natural resources. I also am required to speak for South Carolinians who depend on and enjoy natural resources to augment a quality of life. This quality of life is of paramount importance, and it must be preserved on our watch for the benefit of the people of South Carolina as well as for future generations.

It is understood the Department of Health and Environmental Control (DHEC) Board will meet on February 12, 2009 to consider the appeal of the DHEC Air Quality Certification (AQC) placed on public notice by DHEC on December 16, 2008. I am requesting this correspondence be made an official part of the public record at the scheduled DHEC Board meeting and appeal hearing.

Santee Cooper has indicated its intent to construct and operate the Pee Dee Electric Generation Station at their site in Florence County. As planned, it would result in a 2-unit, coal fired steam generation facility providing base load electric power to Santee Cooper customers.

Santee Cooper has applied for environmental permits required for the construction and operation of the proposed facility. Water permits required from the federal government under the Clean Water Act and § 10 of the Rivers and Harbors Act will not be issued pending a public review pursuant to the National Environmental Policy Act (NEPA). The NEPA analysis will examine all environmental, economic and societal issues including, but not limited to: the proposed project purpose and need, a full-scale alternatives analysis, an examination of environmental consequences of each alternative, identification of the least environmentally damaging alternative, selection of a preferred alternative, and identify the appropriate mitigation needed for impacts that cannot be avoided. DNR has participated in the scoping process leading to development of an Environmental Impact Statement (EIS). DNR staff and others have identified

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a number of consequential environmental issues during the scoping process. These issues clearly present unacceptable impacts, costs and risks for the natural environment and the citizens of South Carolina. DNR will have no choice but to oppose the Santee Cooper proposed alternative if it is selected through the EIS process as the preferred alternative. DNR also will recommend denial of any and all state and federal water related permits submitted for this proposed facility.

Santee Cooper also has applied to DHEC for water related environmental permits. I am certain your staff has advised you of the letter from Bob Perry of my staff dated December 3, 2008 in which DNR requested, among other issues, these permit applications be held in abeyance pending conclusion of the EIS process. I am recommending denial of these permits. At a very minimum, DHEC should hold these permits in abeyance until the EIS process is concluded.

DHEC has issued an AQC for the proposed facility. DNR staff has reviewed the Final Determination and Final Notice of MACT Technology issued on December 16, 2008. The AQC will permit Santee Cooper to emit unacceptable volumes of toxic pollutants and greenhouse gases into the atmosphere including up to 93 lb of mercury and more than 10 million lb of carbon dioxide (CO₂) respectively per year. These emissions will allow a worsening of existing environmental mercury contamination in coastal and near shore waters, as well as add to the problem of increasing global greenhouse gas accumulations.

Mercury contamination in sport and commercial fisheries is of serious concern at DNR. Studies performed to date conclusively demonstrate reducing local mercury emissions serves to reduce the mercury burden in local fish. Common sense reveals worsening local mercury emissions will worsen mercury levels in local fish. I cannot be silent on the issue of increases in this most dangerous pollutant to the detriment of freshwater and marine fisheries and those who enjoy pursuing, landing and consuming the affected species. The human health consequences associated with this risk are grave.

The atmospheric concentration of CO₂ is expected to reach levels initiating irreversible, global climatic impacts by the year 2035. The process of generating electricity by burning coal to produce steam is the single largest source of CO₂ emissions in the United States as well as in South Carolina. Continued permitting of additional domestic CO₂ emissions carries the risk of enormous consequences. I urge the DHEC Board to consider overturning the issued AQC for the proposed facility. Again, at a very minimum, this application for certification should not be viewed complete and ripe for consideration, at least until the EIS process has been finalized and the final project design clearly known.

Santee Cooper has proposed solid waste and ash ponds be constructed on the Pee Dee Station Site immediately adjacent to the Big Pee Dee River at the site of unique limestone bluff habitats considered favorable for protection under the South Carolina Heritage Trust Act. DNR has objected to these proposals both through the permitting process as well as in direct discussion with Santee Cooper officials and their consultants. While Santee Cooper has indicated these disposal areas are for future use and may not be needed for several decades, the same officials

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have not yielded to DNR recommendations to seek alternatives for solid waste and ash disposal. The environmental conundrum of ash production and storage is that the new, cleaner boiler technology proposed by Santee Cooper produces a greater volume of toxic ash. Recently an environmental disaster of gigantic proportions on a Tennessee Valley Project underscored the importance of not permitting ash disposal ponds adjacent to a river. The residue of millions of tons of coal burning at Kingston Fossil power plant on the Watts Bar Reservoir in Tennessee burst the bounds of the pond in which it was contained, burying over 400 acres of land in up to 6 ft of sludge. Much of this ash flowed unimpeded into the reservoir and thence into downstream reaches. Immediate impacts of the spill included a significant fish kill, contamination of water supply, and elevation of levels of lead, thallium, mercury and arsenic in the water supply. Subsequent testing showed significantly elevated levels of toxic metals (including arsenic, copper, barium, cadmium, chromium, lead, mercury, nickel, and thallium) in samples of slurry and water from the Clinch and Emory rivers. The final environmental costs of this spill will not be known fully for decades, and the monetary costs of clean-up and monitoring reportedly could reach into the billions of dollars. This risk cannot be tolerated to occur in South Carolina.

In summary, DNR is opposed to the approval of any environmental permits for the currently proposed Santee Cooper Pee Dee Electric Generation Station. Please do not hesitate to contact me at your convenience if you wish to discuss the DNR position on these matters. Thank you in advance for making certain this correspondence becomes part of the official DHEC public record.

Sincerely,



John E. Frampton

Director, South Carolina Department of Natural Resources

c: Lisa Longshore, Clerk of the DHEC Board
Bob King, DHEC
Myra Reece, DHEC
Rhonda Thompson, DHEC
Lonnie L. Carter, Santee Cooper
Bill McCall, Jr., Santee Cooper
R.M. Singletary, III, Santee Cooper
Don Winslow, DNR
Buford Mabry, DNR
Bob Perry, DNR
Derrick Meggie, DNR
Robert Boyles, DNR
Breck Carmichael, DNR
Ken Rentiers, DNR