BEFORE THE ENVIRONMENTAL APPEALS BOARD UNITED STATES ENVIRONMENTAL PROTECTION AGENCY WASHINGTON, D.C.

In re:)	
Desert Rock Energy Company, LLC) PSD Appeal Nos	. 08-03, 08-04, 08-05 & 08-06
PSD Permit No. AZP 04-01)))	08-03 & 08-00

CONSERVATION PETITIONERS' RESPONSE TO ACCCE'S MOTION REGARDING SUPPLEMENTAL AUTHORITY

Petitioners Diné Care, Environmental Defense Fund, Grand Canyon Trust, Natural Resources Defense Council, San Juan Citizens Alliance, Sierra Club, WildEarth Guardians, and Center for Biological Diversity (collectively "Conservation Petitioners"), hereby respond to the Motion to Take Notice of Supplemental Authority (the "Motion") of the American Coalition for Clean Coal Electricity ("ACCCE"). ACCCE's reliance on the case cited lacks merit and the case is of limited, if any, value to the Environmental Appeals Board ("EAB") in determining whether to grant the Environmental Protection Agency's ("EPA") Motion for Voluntary Remand ("Remand Motion").

ACCCE cites to, and attaches, <u>Longleaf Energy Associates</u>, <u>LLC v. Friends of the Chattahoochee</u>, <u>Inc. et al.</u>, 2009 WL 1929192 (Ga. App. 2009), claiming that it "pertains to" a number of the issues before the EAB on the EPA Remand Motion and that the Georgia court's decision "supports" ACCCE's position in opposition to the Remand Motion. ACCCE's reliance on the <u>Longleaf</u> decision is misplaced as the decision is of limited, if any, value to the EAB here.

First, a decision of the Georgia State Court of Appeals is non-binding and of no precedential value to the EAB in that state court interpretations of federal law are not binding on federal courts. See, e.g., Wojchowski v. Davies, 498 F.3d 99, 100, no. 9 (2nd Cir. 2007); First American Title Co. v. DeVaugh, 480 F.3d 438, 455 (6th Cir. 2007); Redgrave v. Boston Symphony, 855 F.2d 888, 917 (1st Cir. 1988); Congoleum Corp v. DLW Aktiengesellschaft, 729 F.2d 1240, 1242 (9th Cir. 1984); Martin v. Duffie, 463 F.2d 464, 468 (10th Cir. 1972).

Second, ACCCE's Motion attempts to use Longleaf to redirect or misdirect the EAB's attention to the actual issue in EPA's Remand Motion regarding Best Available Control Technology ("BACT") and modeling and analysis of small particulate matter emissions ("PM_{2.5}"). ACCCE mischaracterizes the issues here as whether EPA "must" consider IGCC technology or require PM_{2.5} analysis or use BACT to control CO₂, all matters that the Georgia court spent some time addressing. However, EPA's Remand Motion presents no such questions. Rather, the issue before the EAB in this case is whether EPA has the discretion to take a voluntary remand of the Desert Rock PSD Permit and decide whether to require these things. In other words, the Georgia court was addressing whether a permitting entity must consider or use these requirements, not whether a permitting entity may do so. As a result, the Longleaf court's decision that a permitting entity cannot be compelled to use BACT to control CO₂ or to consider ICGG technology, has no bearing on whether the permitting entity has the discretion to so consider these things. In fact, the <u>Longleaf</u> decision recognizes this important distinction when it notes that EPA has the discretion to choose to require PM_{2.5} analysis on a case-by-case basis. Longleaf Energy Associates, LLC, at p. 7.

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¹ While the EAB is not a federal court, it is part of the federal appellate system for PSD Permits with review of EAB decisions going directly to the Circuit Courts of Appeal.

Third, an overall theme of the <u>Longleaf</u> decision is that the Georgia court finds that EPA's position on these issues is still being developed, that a permitting entity should not be required to guess at where EPA might be going, and that piecemeal disposition of such important matters is disfavored. This reasoning actually supports EPA's Remand Motion. EPA, in its motion here, is asking to have the opportunity to fully develop its position on these issues relative to the Desert Rock PSD Permit and it is asking the EAB to allow EPA to take a voluntary remand of the Desert Rock PSD Permit to in fact avoid a piecemeal approach and take a comprehensive, single approach to all of these issues in the single permit.

Finally, ACCCE's Motion claims that <u>Longleaf</u> supports the position that the Clean Air Act does not require use of BACT to control CO₂ under the PSD program. However, all issues regarding regulation of CO₂ in the Desert Rock PSD permit have already been remanded to EPA without opposition from Desert Rock or ACCCE. Therefore, issues regarding regulation of CO₂ are not part of the Remand Motion. Further, ACCCE never made this argument in its opposition to EPA's Remand Motion. Therefore, either ACCCE is trying, at this extremely late stage, to inappropriately raise a new argument or ACCCE is simply incorrect in its characterization of the <u>Longleaf</u> decision as supportive of the arguments that ACCCE actually made.

Respectfully submitted this 16th day of July, 2009.

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CERTIFICATE OF SERVICE

On July 16, 2009, a true and correct copy of the following document was served on the parties listed below:

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I, Catherine Hamborg, declare under penalty of perjury that the foregoing is true and correct. Executed on this 16^{th} day of July, 2009, at Seattle, Washington.

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