

National Park Service  
Briefing Paper

Prepared for: Director  
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Title: Healy Clean Coal Project (HCCP) and Denali National Park and Preserve  
Issue: Implementation of Mitigation of potential adverse impacts to air quality,  
at Denali National Park and Preserve (Denali), Alaska

Background:

- o Several years ago, the Alaska Industrial Development and Export Authority (AIDEA), a State agency, proposed to build the Healy Clean Coal Project (HCCP), a 50 megawatt coal-fired power plant to be operated by Golden Valley Electric Association (GVEA), 3.7 miles from Denali, the only park in Alaska designated as a Class I area under the Clean Air Act. DOI and the NPS have an affirmative responsibility under the Clean Air Act to protect the air quality and related values of Class I areas. In the early 1990's, Department of Energy (DOE) proposed to grant AIDEA about \$105 million for the HCCP under the Clean Coal Technology Program, and issued a preliminary Environmental Impact Statement (EIS) for this project. NPS was a cooperating agency in this process. Visibility analyses contained in the draft EIS and the Prevention of Significant Deterioration (PSD) air quality permit application for the HCCP indicated that the sulfur dioxide and nitrogen oxide emissions from the HCCP were likely to have adverse visible plume impacts in Denali, and may also have adverse impacts on Denali's aquatic and terrestrial resources. Based on available information and its affirmative responsibility to protect Denali's resources, DOI recommended in 1993 that the State deny the proposed air quality permit for the HCCP. Nevertheless, the State of Alaska issued the permit over the DOI's objections.
- o Consequently, DOI appealed the permit and requested an adjudicatory hearing to re-evaluate the permit. In addition, NPS recommended that DOE consider alternative sites for the power plant, with less likelihood of adverse impacts on Denali. NPS alternatively recommended that AIDEA and DOE use the construction of the HCCP as an opportunity to control the emissions from an existing 25 megawatt unit located adjacent to the HCCP site. NPS also recommended additional analyses to better assess potential impacts at Denali. After extensive negotiations, the parties reached a mitigation agreement on November 9, 1993, and DOI subsequently withdrew its objections to the project.
- o The agreement requires the proponents to: (1) install pollution control technology on an existing adjacent power plant that would offset most of the proposed emissions from the new plant, (2) impose the lowest possible emissions limitations on the HCCP consistent with pollution control technologies installed elsewhere and representative of achieved emission levels, and (3) establish an abatement process for subsequently identified impacts on park resources. Visibility monitoring is also required, as a condition of GVEA's PSD permit.
- o At the completion of the negotiations, the State of Alaska, Senator Ted Stevens, and the National Parks and Conservation Association expressed their support for the agreement. Press was favorable. The Trustees for Alaska, who had also appealed the air quality permit, took the environmental protection of this

agreement further by means of an agreement of their own with the project proponents involving additional studies and monitoring.

Status:

- o Under both agreements described above, one project proponent (GVEA) must provide a combined total of \$150,000 (\$75,000 under each agreement) over a three year period, starting in 1997, for air pollution projects. DOI's agreement leaves the selection up to NPS; the Trustees' agreement specifies research on particular HCCP emissions, but Trustees have consistently indicated interest in deferring to NPS selection for spending their settlement money.) Over the past year, park staff has discussed with Trustees and GVEA a plan for using the money to fund a long-term regional monitoring network to be installed and operated by a contractor. While all parties are agreeable to the plan in general, Trustees and GVEA are reluctant to take on implementation responsibilities (such as supervising and paying a contractor).
- o The Solicitor's Office advises that one or more cooperative agreements are required to flesh out roles and enable the money to be spent. Due primarily to Trustees' reluctance to sign our Solicitor's Office form agreement (which would require Trustees' to take out liability insurance for the contractor among other provisions), the park is now pursuing a cooperative agreement with the Alaska National History Association for the purpose of handling the settlement funds.
- o In addition, the park is working with GVEA on installing visibility monitoring at Denali, as required under the PSD permit. Requirements (1) and (2) of the agreement, as stated above, are also in process of being complied with.

Position of Interested Parties:

- o All involved stakeholders seem to favor the HCCP project with the mitigation required under the DOI and Trustees agreements. A few environmental and citizen groups questioned the need for the power and the government subsidy of "clean coal."

NPS Perspective:

- o NPS will continue to work with other interested parties to see that the mitigation is implemented, and to ensure that HCCP does not adversely impact Denali.

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