

  
**Tucson Electric Power**  
88 East Broadway Blvd.  
Tucson, AZ 85701-1720

**Submitted via electronic mail**

December 18, 2020

Daniel Czecholinski  
Director, Air Quality Division  
Arizona Department of Environmental Quality  
1110 W. Washington St.  
Phoenix, AZ 85007

RE: Springerville Generating Station Units 1 and 2 Four Factor Analysis Report  
Operating and Maintenance Costs – CDS and wet FGD

Dear Mr. Czecholinski:


As requested by your staff, TEP is providing estimates of changes in annual operating and maintenance (“O&M”) costs for the circulating dry scrubber (“CDS”) and wet flue gas desulfurization (“wet FGD”) systems discussed in Section 4.2 of the four-factor analysis report for Units 1 and 2 at Springerville Generating Station, submitted by TEP on March 31, 2020. If the existing spray dryer absorber (“SDA”) systems were replaced, the approximate changes in O&M costs are estimated as follows:

	Unit 1	Unit 2
SDA Annual O&M	\$11,284,000	\$13,241,000
CDS Annual O&M	\$11,886,000	\$13,882,000
<b>increase (decrease)</b>	<b>\$602,000</b>	<b>\$641,000</b>
WFGD Annual O&M	\$9,188,000	\$10,372,000
<b>increase (decrease)</b>	<b>\$(2,096,000)</b>	<b>\$(2,869,000)</b>

These O&M cost estimates were developed using EPA’s retrofit cost analyzer spreadsheet, available at <https://www.epa.gov/airmarkets/retrofit-cost-analyzer>. Completed worksheets are attached for your reference. Unit capacity, heat input rate, SO<sub>2</sub> emission rates, lime cost, and auxiliary power cost are as listed in TEP’s four-factor analysis report. All other inputs are EPA’s default assumptions, expressed in 2016 dollars with no escalation or other adjustment. EPA’s spreadsheet tool for SDA systems was used to estimate O&M costs of CDS systems.

If you have any questions regarding these submittals, please feel free to contact me or Catherine Schladweiler.

Sincerely,



Megan E. Garvey  
Director, Environmental Services and Sustainability

cc: Catherine Schladweiler, TEP