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Good morning. I would like to thank the DEP for the opportunity to discuss this important matter today.

My name is Megan Toomey, and I am a Project Manager in PPL's Environmental Management Department. PPL owns or controls generation assets in Pennsylvania, Kentucky and Montana. PPL Corporation's total generating capacity is 19,000 megawatts, including 6,422 megawatts which PPL owns or controls in Pennsylvania that would be impacted by this rule. PPL's generation assets in the Commonwealth will be part of a transaction announced earlier this year with Riverstone Holdings to form an Independent Power Producer called Talen Energy. Pending regulatory approvals, the transaction is expected to close in the first or second quarter of 2015.

PPL does not oppose reasonable environmental regulation that would establish achievable targets based on proven and commercially available technologies, acknowledge and mitigate effects on electricity prices and reliability, and maintain the diversity of fuels used to generate electricity. Since 2005, PPL has invested more than $2 billion in scrubbers and other environmental upgrades at its Pennsylvania facilities to meet requirements of the Clean Air Act and other environmental regulations, some ahead of schedule. PPL asks that the Environmental Protection Agency and the Pennsylvania DEP keep this investment in mind as they develop guidelines and state plans.

The Commonwealth has been an innovative and early adopter of programs that seek to improve the environment while recognizing the importance of Pennsylvania's economic growth and vitality. Pennsylvania has also been careful not to adopt lofty goals without basis in science or economics, but has instead been a steadfast leader on environment and energy issues with quiet, and measurable, success. We applaud the DEP's actions to date with respect to this rulemaking and offer the following specific comments for consideration.

1. EPA's proposal to establish limits for each state, rather than provide a framework for each state to develop its own limit, is not consistent with the Clean Air Act.

2. PPL has long advocated that states should establish limits because they are best positioned to know their generation resources and energy markets, as well as their natural resources and geography.

3. The limits proposed by EPA for Pennsylvania illustrate its limited knowledge of Pennsylvania's resources and energy market. The timeframe to achieve EPA's proposed interim goals are unworkable (see Figure 1), and demonstrate why PPL believes states must be given true flexibility to develop compliance plans.

4. In providing true flexibility, EPA must not penalize Pennsylvania for significant steps it has already taken to reduce greenhouse gas emissions. Instead, credit for early actions should be explicitly allowed for in EPA's guidelines.

5. If EPA's guidelines are promulgated, DEP must take advantage of any flexibility afforded to them, because technology to remove carbon dioxide from power plant emissions is a long way from broad use on a commercial scale. This type of flexibility could include, but is not limited to, fuel switching, expansion of existing hydro and nuclear generation, other non-hydro renewable energy sources, demand-side management and end-use energy efficiency improvements.

6. Efficiency improvements at existing coal-fired units are not an option DEP can rely upon, because generators in the Commonwealth have already implemented cost-effective projects to improve plant efficiency in response to market signals.

7. To further arrive at a reasonable plan for the Commonwealth, PPL urges DEP to request the following two things in EPA's final guidelines:

    a. Clear state authority to incorporate new natural gas generation resources into compliance plans, as our internal modeling demonstrates a significant benefit, particularly under a rate-based program.
    b. Clear guidance as to how states should calculate mass-based limits to appropriately account for power plant retirements which, again, our internal modeling demonstrates could be a valuable component of DEPs compliance plan.

8. Finally, we respectfully suggest to DEP that as they develop a state plan, they keep in mind that Pennsylvania is part of a regional, multi-state competitive power market

managed by the PJM interconnection, which dispatches generation on an economic basis.

9. Given what's at stake for the environment, economy and energy future, it is essential that states and EPA get it right when it comes to regulation of carbon dioxide emissions.

Once again, thank you for the opportunity to provide this input. Your consideration of these comments will result in a reasonable state plan with workable conditions for existing generation sources in the Commonwealth.

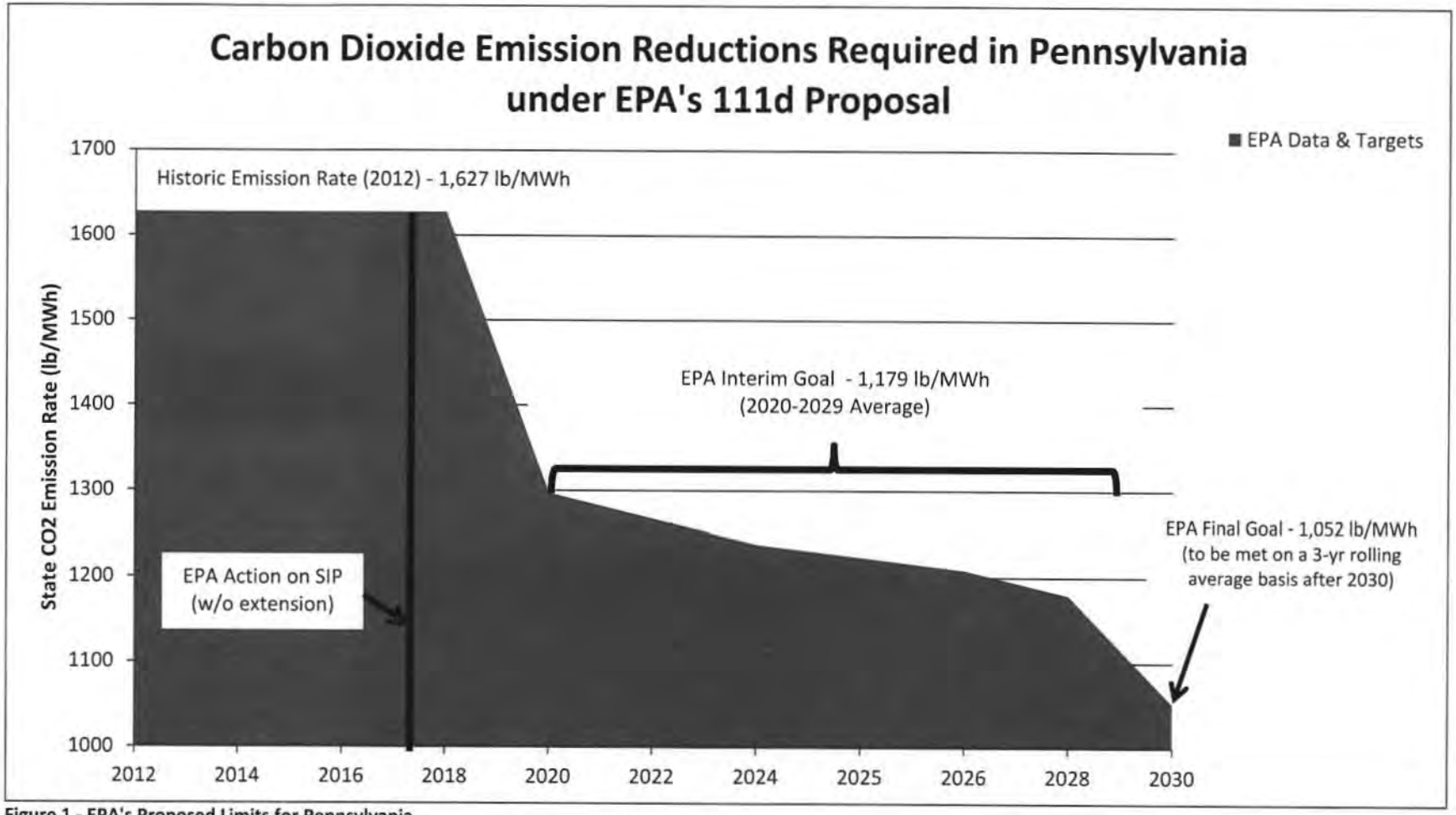

Figure 1 - EPA's Proposed Limits for Pennsylvania