

**BEFORE THE ILLINOIS POLLUTION CONTROL BOARD**

IN THE MATTER OF: )  
AMENDMENTS TO ) R18-20  
35 ILL. ADM. CODE 225.233 ) (Rulemaking – Air)  
MULTI-POLLUTANT STANDARDS )  
(MPS) )

**NOTICE OF FILING**

PLEASE TAKE NOTICE that on this 10th day of December 2018, I have filed with the Clerk of the Illinois Pollution Control Board, the Pre-Filed Testimony of Andrew Armstrong on Behalf of the Illinois Attorney General's Office in the above-referenced case, a copy of which is hereby served upon you.

Respectfully submitted,

PEOPLE OF THE STATE OF ILLINOIS  
By LISA MADIGAN,  
Attorney General of the State of Illinois

BY: /s/ Stephen J. Sylvester  
STEPHEN J. SYLVESTER  
Senior Assistant Attorney General  
Illinois Attorney General's Office  
69 W. Washington St., 18th Floor  
Chicago, IL 60602  
(312) 814-2087  
ssylvester@atg.state.il.us

**SERVICE LIST**

Don Brown, Assistant Clerk  
Mark Powell, Hearing Officer  
Marie Tipsord, Hearing Officer  
Illinois Pollution Control Board  
100 W. Randolph Street, Suite 11-500  
Chicago, IL 60601  
[don.brown@illinois.gov](mailto:don.brown@illinois.gov)  
[Mark.Powell@Illinois.Gov](mailto:Mark.Powell@Illinois.Gov)  
[Marie.Tipsord@Illinois.Gov](mailto:Marie.Tipsord@Illinois.Gov)

Amy C. Antonioli  
Joshua R. More  
Ryan Granholm  
Caitlin Ajax  
Schiff Hardin LLP  
233 S. Wacker Drive, Suite 6600  
Chicago, IL 60606  
312-258-5769  
[aantionioli@schiffhardin.com](mailto:aantionioli@schiffhardin.com)  
[jmore@schiffhardin.com](mailto:jmore@schiffhardin.com)  
[rgranholm@schiffhardin.com](mailto:rgranholm@schiffhardin.com)  
[cajax@schiffhardin.com](mailto:cajax@schiffhardin.com)

Greg Wannier  
Sierra Club Environmental Law Program  
2101 Webster Street, Suite 1300  
Oakland, CA 94612  
[greg.wannier@sierraclub.org](mailto:greg.wannier@sierraclub.org)

Gina Roccaforte  
Dana Vetterhoffer  
Antonette R. Palumbo  
Illinois Environmental Protection Agency  
1021 North Grand Avenue East  
P.O. Box 19276  
Springfield, IL 62794-9276  
[gina.roccaforte@illinois.gov](mailto:gina.roccaforte@illinois.gov)  
[dana.vetterhoffer@illinois.gov](mailto:dana.vetterhoffer@illinois.gov)  
[antonette.palumbo@illinois.gov](mailto:antonette.palumbo@illinois.gov)

Renee Snow  
Office of General Counsel  
Illinois Department of Natural Resources  
One Natural Resources Way  
Springfield, IL 62702-1271  
217-782-1809  
[renee.snow@illinois.gov](mailto:renee.snow@illinois.gov)

Justin Vickers  
Jean-Luc Kreitner  
Environmental Law and Policy Center  
35 E. Wacker Drive, Suite 1600  
Chicago, IL 60601  
[jvickers@elp.org](mailto:jvickers@elp.org)  
[jkreitner@elp.org](mailto:jkreitner@elp.org)

Katherine Hodge  
Hepler Broom LLP  
4340 Acer Drive  
Springfield, IL 62711  
[khodge@heplerbroom.com](mailto:khodge@heplerbroom.com)

Faith E. Bugel  
1004 Mohawk  
Wilmette, IL  
[fbugel@gmail.com](mailto:fbugel@gmail.com)

Katy Khayyat  
Dept. of Commerce and Economic Opportunity  
Small Business Office  
500 East Monroe Street  
Springfield, IL 62701  
[Katy.Khayyat@illinois.gov](mailto:Katy.Khayyat@illinois.gov)

**CERTIFICATE OF SERVICE**

I, STEPHEN J. SYLVESTER, an attorney, do certify that on December 10, 2018, I caused the Pre-Filed Testimony of Andrew Armstrong on Behalf of the Illinois Attorney General's Office and Notice of Filing to be served upon the persons listed in the attached Service List by email for those who have consented to email service and by U.S. Mail for all others.

/s/ Stephen J. Sylvester  
STEPHEN J. SYLVESTER

**BEFORE THE ILLINOIS POLLUTION CONTROL BOARD**

IN THE MATTER OF: )  
 )  
AMENDMENTS TO 35 ILL. ADM. ) R18-20  
 ) (Rulemaking-Air)  
CODE 225.233, MULTI-POLLUTANT )  
STANDARDS )

**PRE-FILED TESTIMONY OF ANDREW ARMSTRONG  
ON BEHALF OF THE ILLINOIS ATTORNEY GENERAL'S OFFICE**

The Illinois Attorney General's Office, on behalf of the People of the State of Illinois ("People"), hereby files the pre-filed testimony of Assistant Attorney General Andrew Armstrong, as provided by the Hearing Office Order issued on November 15, 2018. We provide this pre-filed testimony to respond to requests for comment and questions raised in the October 4, 2018 Opinion and Order of the Board and Hearing Officer Order.

**I. October 4, 2018 Opinion and Order of the Board**

On page 55, the Board requests comment on its proposed mass-based limits. We previously have testified and been examined on the Illinois Attorney General's Office's views on appropriate mass-based limits. Our previous testimony stands and we provide no additional testimony on this point, though we do anticipate submitting additional post-hearing comments.

On page 60, the Board invites comment on reducing mass caps for retired and mothballed MPS units. As we have previously testified and commented, the Illinois Attorney General's Office supports reducing mass caps for retired and mothballed MPS units. By this testimony, we suggest some refinements of the Board's proposed approach, discussed below in response to the questions asked in the October 4, 2018 Hearing Officer Order.

**II. October 4, 2018 Hearing Officer Order**

The October 4, 2018 Hearing Officer Order included an Attachment A containing “a series of questions for participants to direct their attention to when filing pre-filing testimony.” Oct. 4, 2018 Hearing Officer Order at 1. The Illinois Attorney General’s Office responds to these questions as follows:

- 1. A rule adopted by the Board is effective upon filing with the Secretary of State unless a later date is required by statute or specified by the Board. 5 ILCS 100/5-40(d). At second first notice, the Board has proposed the compliance date for the proposed mass-based limits and for combining MPS Groups as the beginning of calendar year 2019. See proposed revised MPS rule provisions at Sections 225.233 (e)(1)(C), (D) and (E). Please comment on whether the proposed date is acceptable, or should the Board adopt a delayed effective date of January 1 of the year following the year of the rule adoption for the proposed mass-based limits and for combining MPS Groups? If so, please propose and support a specific delayed effective date.**

If the Board proceeds to final adoption of the proposed rules during calendar year 2019, we do not object to the rule taking effect for the two compliance periods during calendar year 2019 (the 2019 annual compliance period (i.e., beginning January 1, 2019) and 2019 ozone season (i.e., beginning May 1, 2019)).

- 2. Please comment on how IEPA would enforce the proposed revised MPS rule provisions at Sections 225.233(f), (g) and (h) that require adjustment of mass-based cap in case of:**
  - a. Transfer of the MPS EGUs?**
  - b. Permanent shutdown (retirement) of the MPS EGUs?**
  - c. Temporary shutdown (mothballing) of the MPS EGUs?**

We appreciate that the Board has proposed new recordkeeping and reporting provisions in subsections (j) and (k). Overall, the form of the reports required by subsections (k)(2)(A) and (B) seems appropriate to demonstrate compliance with annual and seasonal emission limits, based on the EGUs identified by the owner to be within an owner’s MPS Group. To provide additional necessary information to show compliance—including which EGUs actually should

be considered to be within the owner's MPS Group—and to facilitate enforcement of the revised provisions, though, we make three proposals.

**First**, we propose that the annual and ozone season compliance reports required by subsections (k)(2)(A) and (B) also include information regarding all MPS units transferred, retired, or mothballed by the owner during the relevant compliance period. Specifically, the information required in notices of transfer, permanent shutdown, and temporary shutdown in subsections (f)(3), (g)(3), and (h)(3) also should be included in reports required by subsections (k)(2)(A) and (B). So, too, should be all information reportable to the Agency (regarding deviations and inoperation of SCR control systems) under subsections (k)(3) and (k)(4) during the relevant compliance period.

**Second**, we propose that the Board require MPS owners to publicly maintain on their websites: (1) their most recently submitted compliance reports under subsections (k)(2)(A) and (B); and (2) any notices and reports under subsections (f)(3), (g)(3), (h)(3), (k)(3), and (k)(4) submitted to the Agency after the owner's submission of the most recent annual compliance report. Vistra's management has publicly stated that it intends to, in its words, "clean up" its portfolio of Illinois plants "immediately" after the Board proceeds to final adoption of MPS revisions.<sup>1</sup> (Vistra management refers to "cleaning up" here in the sense of corporate earnings,

---

<sup>1</sup> During Vistra's November 2, 2018 quarterly earnings call, Vistra's President and Chief Executive Officer Curt Morgan made the following comments in response to the question of financial analyst Shar Pourreza:

**Shar Pourreza**

Got it. And then just lastly on the MISO assets, when do you expect to sort of make a decision here? I mean, obviously given the cash flow profile, you can see an improvement in your conversion cycles I guess, Curt, what are you waiting for around MISO?

**Curt Morgan**

So, we unfortunately, we've got to wait to see what the multipollutant standard what the final outcome of that is unfortunately, it didn't happen in the fourth quarter of '18, but we did get what I think is a reasonable and fair outcome from the Illinois Pollution Control Board we will have to go through another hearing on that that's okay we're not uncomfortable with that but we're thinking April/May timeframe to get a final kind of outcome because

not air pollution.) It is clear that, once the Board moves forward to final adoption of MPS revisions, Vistra then will immediately announce shutdowns of MPS units. Given Vistra's plans, it may soon be complicated for the public to assess whether Vistra (or any new owner of MPS units that appears) is in compliance with the MPS, based only on the language of the revised MPS as adopted. It is important that complete and current compliance information for the MPS fleet or fleets be readily available, and it would be appropriate for the Board to require MPS owners to post that information on their websites.

**Third**, and related to the second proposal, we propose that, if the Board proceeds to final adoption, it include a Board note identifying all MPS units that are mothballed at that time. Currently, Baldwin 3 has been mothballed since October 2016.<sup>2</sup> The Board should note that Baldwin 3 is mothballed in subsection (h)(2), and similarly flag any other units mothballed prior to final adoption. Further, the Board should note in subsection (h)(2) what adjusted emission limits apply for the remaining MPS Group's initial annual and seasonal compliance periods, given any such temporary shutdowns at the time of final adoption. This will provide more clarity to the public regarding the applicable emission limits.

---

what happens, Shar, it goes from the Illinois Pollution Control Board, they recommended it to a committee of the legislature it's called JCAR. And then JCAR actually votes on it doesn't have to go to the full legislature; it just goes to JCAR and we believe that it will go through as it is today and if that happens, we should be prepared then to come to the market, but more importantly to begin to execute on what we are going to do and how we're going to create our final I shouldn't say final, but create the business that we believe will be profitable now, work is going on right now, and so I want to make sure that and everybody knows that we're going to be in a position to execute immediately so, we know if the deal goes through exactly the way it is now, we know what we would do and so, it's just a matter of timing but we also have been contingency planning so, if something else happened, then we would be prepared for that, as well and that would include engaging with MISO to make sure that they understand our plans, engaging with politicians, engaging with the Illinois Commerce Commission, to make sure that we have the pathway to shore this up and there is a reasonably significant we believe a reasonably significant improvement in EBITDA once we clean this portfolio up and that's what we're trying to get to unfortunately, we're going to have a little bit of a drag in 2019 to get to the point where we get a final multipollutant standard.

Vistra Earnings Call, Q3 2018 Earnings Call (Nov. 2, 2018), available at <https://seekingalpha.com/article/4217747-vistra-energy-vst-ceo-curt-morgan-q3-2018-results-earnings-call-transcript?part=single>.

<sup>2</sup> Dynegy, "Third Quarter 2016 Review" (Nov. 2, 2016), at 4, available at <http://phx.corporate-ir.net/phoenix.zhtml?c=147906&p=irol-presentations2016>.

3. **Please comment on whether the adjustment of the mass-based MPS caps should take effect in a manner other than proposed in Sections 225.233(f), (g) and (h) in case of:**
  - a. **Transfer of the MPS EGUs?**
  - b. **Permanent shutdown (retirement) of the MPS EGUs?**
  - c. **Temporary shutdown (mothballing) of the MPS EGUs?**
  - d. **Please also comment on whether NO<sub>x</sub> ozone season mass caps should be adjusted in the year in which an EGU is mothballed if it is mothballed for the entire NO<sub>x</sub> ozone season as required in Sections 225.233(e)(1)(d) and (h)(1)?**
  
4. **Please comment on whether mass-based MPS caps adjustments should be pro-rated in a calendar year in which the EGU unit stops operating within the same MPS Group in case of:**
  - a. **Permanent shutdown (retirement) of the MPS EGUs to comply with Section 225.233(g)(1)?**
  - b. **Temporary shutdown (mothballing) of the MPS EGUs to comply with Section 225.233(h)(1)?**

In the Board's October 4, 2018 Opinion and Order, the Board found—correctly, in our view—that “in addition to ownership transfer, the proposed mass caps for SO<sub>2</sub> and NO<sub>x</sub> must decline with the retirement (permanent shut down) or mothballing (temporary shutdown) of MPS EGUs.” Oct. 4, 2018 Board Order at 58. The Board noted that, “under the current MPS, a retired or mothballed EGU does not factor into MPS compliance because, without heat input, no allowance is allocated for emissions from the EGU.” *Id.* at 59.

Despite their similar impact under the current MPS, transfer, retirement, and mothballing each receive slightly different treatment for purposes of MPS compliance in the Board's proposed rules. More specifically: while each of the three appropriately causes mass caps to decline over the long term, the proposed rules handle MPS compliance for the year (or year and ozone season) during which transfer, retirement, and mothballing occurs differently. We propose that all three be treated the same, and look to the Board's proposed rules on transfer as providing the model. Generally, we propose that an MPS unit's transfer, retirement, or

mothballing each should sever it from the remaining MPS Group, and that the MPS owner (or owners, in the case of transfers) be required to show compliance with allocated emission limits for both (i) the remaining MPS units and (ii) the transferred, retired, or mothballed unit. We further propose that the allocated emission limits for a retired or mothballed unit be adjusted downward, pro rata, based on the number of days it was out of service during a compliance period. We explain below.

**Transfer:** As we read proposed subsections (f)(1)(A), (B), and (C), if an owner transfers an MPS unit but owns any remaining units, then the adjusted emission limits for the remaining units take effect during the compliance period or periods in which the transfer occurred (i.e., the annual compliance period for the year of the transfer, and, if the transfer took place from May 1 through September 30, the ozone season compliance period, as well). The acquiring owner is then separately responsible for demonstrating compliance with the adjusted emission limits for the acquired unit during the compliance period or periods in which the transfer occurred (and each period thereafter).

To illustrate, we use a very simplified scenario in which there is an MPS Group consisting of only Hennepin 1 and 2, and examine only the SO<sub>2</sub> emission limit. If the MPS owner transferred Hennepin 2 to a new owner on July 1, 2020, then the original owner would be required to demonstrate that Hennepin 1 complied with the allocated emission limit of 1,180 tons of SO<sub>2</sub> for calendar year 2020. Additionally, the new owner would be required to demonstrate that Hennepin 2 complied with the allocated emission limit of 3,720 tons of SO<sub>2</sub> for calendar year 2020. We believe this is a reasonable approach.

**“Permanent Shutdown” (Retirement):** By contrast, as we read subsection (g)(1), retired units are treated differently, in that no showing of compliance need be made for a retired

unit for the compliance period or periods during which a “permanent shutdown” (as defined in subsection (g)(1)(B)) occurs. As with transfers under (f)(1), if an owner permanently shuts down an MPS unit but owns remaining MPS units, then the adjusted emission limits for the remaining MPS units would take effect during the compliance period or periods during which the permanent shutdown occurred. *See* proposed subsection (g)(1)(B). To return to the simplified “Hennepin-only” scenario, if the MPS owner permanently shut down Hennepin 2 on July 1, 2020, then, with respect to SO<sub>2</sub> emissions, the owner’s only obligation for the 2020 annual compliance period would be to demonstrate that Hennepin 1 did not emit more than 1,180 tons of SO<sub>2</sub> for the year. However, no showing would need to be made that Hennepin 2 complied with its allocated emission limit of 3,720 tons during the 2020 compliance period. Hennepin 2 could have emitted 10,000 tons of SO<sub>2</sub> during the six months prior to its shutdown, and the MPS owner nevertheless would have been in compliance with the MPS. Under subsection (g)(1), as proposed, then, it seems there are effectively no MPS requirements on a permanently shut down unit during its final compliance period (or periods) of operation.

We believe this result is contrary to the MPS’s intent and instead that an MPS owner should be required to demonstrate compliance for a permanently shut down unit during the final compliance period(s) of operation. To this end, proposed subsection (g)(1)(A) could be amended as follows:

**For the compliance period or periods during which a permanent shutdown occurs, a permanently shut down EGU is not part of an MPS Group, but the owner or operator of the permanently shut down EGU must not cause or allow to be discharged into the atmosphere emissions from the EGU in excess of the allocation amounts attributable to the permanently shut down EGU set forth in Columns A, B, and C in subsection (g)(2). For all compliance periods thereafter, such EGU is** no longer part of an MPS Group and no longer subject to the requirements of this Section.

**“Temporary Shutdown” (Mothballing):** As we read subsection (h)(1), mothballed units are treated differently from both transferred and retired units. A mothballed unit lowers MPS Group emission limits only if the unit is mothballed for the entire compliance period. Returning again to the “Hennepin-only” example, suppose the owner of the hypothetical MPS Group consisting entirely of Hennepin temporarily shut down Hennepin 2 from July 1, 2020 on, while continuing to operate Hennepin 1 for the entire year. With respect to SO<sub>2</sub>, the owner’s only compliance obligation under proposed subsection (h)(1) for the calendar year 2020 would be to demonstrate that Hennepin 1 and 2 did not emit more than the combined annual emission limit of 4,900 tons—even though Hennepin 2 only operated six months of the year.<sup>3</sup> Under this scenario, the MPS owner effectively is permitted to use emissions allocated to mothballed units to increase emissions of remaining units—unlike the case of either transferred or retired units. The earlier in the year a mothballing occurred, the more disparate the treatment. For example, if Hennepin 2 were mothballed from January 2, 2020 through December 31, 2020, then Hennepin 1 would effectively be allocated nearly 4,900 tons of emissions for the year, instead of 1,180 tons.

Again, we believe this is not consistent with the MPS’s intent. We propose that mothballing be treated the same as the Board proposes for transfers, and as we propose for permanent shutdowns, above: the MPS owner should demonstrate compliance with adjusted emission limits for its remaining units, and with adjusted emission limits for the mothballed unit, for the compliance period or periods during which the mothballing occurred (and for subsequent compliance periods during which it continues). In this way, an owner would be prevented from utilizing emissions allocated to mothballed units to increase emissions of remaining units.

---

<sup>3</sup> Neither would the mothballing have any impact on the ozone season emission limit for the MPS Group, as the unit would not have been mothballed for the entire compliance period of May 1 through September 30.

We do recognize that “temporary shutdowns” may occur for relatively short periods for reasons other than longer-term mothballing, and that the Board may also have proposed its treatment of mothballed plants to avoid having to distinguish between transitory shutdowns—for maintenance, for example—and longer-term mothballings. If the Board has any such concern that the term “temporarily shut down” is too broad if the shutdown is not required to continue for an entire compliance period, the Board could consider that the owners of units within Midcontinent Independent System Operator, Inc. (“MISO”) are required to submit to MISO notification of “suspensions,” providing a clear indication of longer-term mothballings. The MISO Tariff defines “Suspend” as follows:

The cessation of operation of a Generation Resource or an SCU for more than two (2) months commencing on a specified date that is provided to the Transmission Provider, that includes the right to rescind or modify the Attachment Y Notice for a period ending no later than thirty-six (36) months after the start date specified in an original (i.e. initial, first) Attachment Y Notice, consistent with the requirements in Section 38.2.7 and Attachment X.

See MISO, FERC Electric Tariff, Module A, § 1.S (Definitions) (33.0.0). The Board accordingly could qualify the term “temporarily shut down” in subsections (h)(1) and (h)(3) as follows: “If one or more EGUs in an MPS Group are temporarily shut down **in accordance with the owner’s notice to a Regional Transmission Organization that service will be suspended for more than two months: . . .**”

Therefore, to ensure similar treatment of mothballing to retirement and transfer, subsection (h)(1) could be amended as follows:

- (1) If one or more EGUs in an MPS Group are temporarily shut down **in accordance with the owner’s notice to a Regional Transmission Organization that service will be suspended for more than two months** ~~over an entire compliance period or periods:~~
  - (A) **For any compliance period or periods during which such temporary shutdown occurs or continues, a temporarily shut**

**down EGU is not part of an MPS Group, but the owner or operator of a temporarily shut down EGU must not cause or allow to be discharged into the atmosphere emissions from the EGU in excess of the allocation amounts attributable to the temporarily shut down EGU set forth in Columns A, B, and C in subsection (h)(2).**

- (~~A~~**B**) The combined emissions limitations for the MPS Group set forth in this Section, as applicable must be adjusted by subtracting from those limitations the applicable allocation amounts set forth in Columns A, B, and C in subsection (h)(2) that are attributable to the temporary shutdown EGU or EGUs.
- (~~B~~**C**) The owner and operator of the MPS Group must comply with the adjusted emissions limitations, beginning with the compliance period or periods during which the temporary shutdown occurs. **An** adjusted emissions limitations will no longer apply, if the EGU or EGUs resume **service for an entire compliance period associated with that limitation**.
- (~~C~~**D**) Nothing in this subsection (h) shall be construed to relieve owners and operators of EGUs in an MPS Group from any of the other requirements set forth in this Section, including the mercury standards under subsection (d).

**Proration for Shut Down Units:** In its October 4, 2018 Order, the Board expressed concern that adjusting mass caps in the case of temporarily shut down units could require proration of emission allocations. *See* Oct. 4, 2018 Board Order at 59. That is not necessarily the case, though. Under the Board's proposed rules for transfer, for example, no proration is needed. The owner of an MPS unit at the end of the compliance period(s) of transfer demonstrates compliance with the adjusted emission limits for that unit. Under the Board's proposed rules for permanent shut down, again, no proration is needed. If a unit is permanently shut down on July 1 in any particular calendar year, for example, then the MPS owner simply must demonstrate compliance with the adjusted emission limits for the remaining MPS units during that calendar year's annual and ozone season compliance periods (and, we suggest, additionally should be required to show compliance with adjusted emission limits for the

permanently shut down unit). Temporary shut downs conceivably could be handled the same way.

To be clear, though: it also certainly is possible—and preferable, from an environmental standpoint—to prorate the emissions allocated to a shut down unit for the compliance period(s) during which the shutdown occurred and, in the case of mothballing, during which the shutdown continues. Prorating would ensure a consistent level of emissions control for shut down units during their final compliance period(s) of operation. Therefore, if the Board concurs with our proposed revisions to subsection (g)(1)(A), above, subsection (g)(2) could be amended to include the following sentence:

**The allocation amounts for a permanently shut down unit for purposes of subsection (g)(1)(A) are equal to the allocation amounts set forth in Columns A, B, and C, respectively, multiplied by the number of days in the relevant compliance period that the unit was in service prior to permanent shut down, divided by the total number of days in the relevant compliance period, and rounded to the nearest ton.**

Subsection (h)(2) further could be amended to include the following sentence:

**The allocation amounts for a temporarily shut down unit for purposes of subsection (h)(1)(A) are equal to the allocation amounts set forth in Columns A, B, and C, respectively, multiplied by the number of days in the relevant compliance period that the unit was in service prior to and/or following temporary shut down, divided by the total number of days in the relevant compliance period, and rounded to the nearest ton.**

In sum, proration is not absolutely necessary to adjust mass caps following a shutdown, either permanent or temporary. To the contrary, remaining MPS units simply can be severed from the shut down unit beginning with the compliance period(s) during which the shutdown occurs, and their emission limits adjusted accordingly, just as the Board proposes for transfers. The shut down unit further can be required to comply with its own adjusted emission limits, preferably prorated.

5. **Please comment on which date the IEPA should consider a date of transfer and a date of permanent and temporary shutdown of an MPS EGU? Would the dates the owner/operator indicate in their written notifications required under Section 225.233(f)(3), (g)(3) and (h)(3) be proper dates? Please also comment on the following:**
- a. **In case of discrepancy between the notification provided under Section 225.233(f)(3)(A) and (B), which date should control?**
  - b. **Is there a conflict between Section 225.233(g)(1)(B) and (3)(D)? In case of discrepancy between dates provided under Section 225.233(g)(1)(B) and (3)(D), which date will control?**

With respect to the date of a transfer, the Board proposes in subsections (f)(3)(A) and (B) that both the transferring and acquiring owners report the date of the transfer of an MPS unit to the Agency. We believe this reporting requirement is appropriate but, as the Board's question implies, reliance upon the owners' reporting, alone, does create the possibility of a discrepancy between the dates provided by the two owners. One alternative approach could be to follow subsection (g)(1)(B)'s focus on the unit's operating permit, and to provide that the date of transfer is the date for which an acquiring owner or operator seeks transfer of the unit's operating permit, in a written request to the Agency. This would put the responsibility of MPS compliance on the transferring owner until such time as an acquiring owner officially notifies the Agency of its intention to assume responsibility for the MPS unit.

With respect to the date of a permanent shutdown, we do not see a conflict between subsections (g)(1)(B) and (3)(D), and agree that the date of "permanent shutdown" can be appropriately defined as the date on which the MPS owner or operator submits a written request to modify or withdraw the relevant operating permit to reflect the shutdown.

With respect to the date of a temporary shutdown, we note that the operator of any unit within a Regional Transmission Operator ("RTO") must give advance notice of shutdowns to the RTO. We therefore propose that subsection (f)(3) be amended to also require the MPS owner to

include a copy of the notice sent to the RTO, to evidence the start date of the temporary shutdown.

**6. Please comment if there are limitations on how often and for how long an MPS EGU may be mothballed for.**

We do not offer any testimony on this point beyond noting that the MISO Tariff provides that a suspension may last no longer than thirty-six months. *See* MISO, FERC Electric Tariff, Module A, § 1.S (Definitions) (33.0.0).

**7. Please comment on whether and how mass caps should be adjusted for units retired and mothballed before the effective date of MPS revisions adopted in this rulemaking.**

In its October 4, 2018 Order, the Board stated: “If Vistra transfers or retires any MPS plants or EGUs before the Board adopts final rule amendments, the Board will adjust the mass caps to reflect the transfers or retirements, using the proposed allocation amounts.” Oct. 4, 2018 Board Order at 60. We agree with this approach. If any current MPS units are retired before a rule in this rulemaking is finally adopted, then all references to those units and their allocated emissions for transfer and shutdown should be removed from the regulation, and the emissions caps in subsections (e)(1)(C), (e)(1)(D), (e)(2)(C), and, if applicable, (e)(2)(D), should be adjusted downward accordingly.

Assuming both that (i) the Board’s adoption of any final rule amendments takes place in 2019, and (ii) the effective date for any MPS revisions adopted in this rulemaking also is in 2019, then subsection (g) could be used to address any MPS units that are retired after the Board’s final adoption but prior to the effective date. For clarity, subsection (g)(1) could be amended to read: “If one or more EGUs in an MPS Group are permanently shut down **during the 2019 annual compliance period or thereafter**: . . . .”. This would make clear that the retirement provisions apply to all retirements occurring during calendar year 2019, even if they

occur prior to the effective date of the rule. If the Board concurs with our proposal regarding mothballed plants, above, then similar language could be added to our proposed revised subsection (h)(1). As discussed in response to Question 2, above, we also propose that the Board include a note in subsection (h)(2) that identifies units that are temporarily shut down as of the date of final adoption, and sets out the applicable adjusted emission limits.

We appreciate the opportunity to testify on these issues.

Dated: December 10, 2018

Respectfully submitted,

PEOPLE OF THE STATE OF ILLINOIS,  
by LISA MADIGAN,

Attorney General of the State of Illinois,  
MATTHEW J. DUNN, Chief  
Environmental Enforcement/  
Asbestos Litigation Division



By:

---

ANDREW ARMSTRONG  
Chief, Environmental Bureau/Springfield  
Illinois Attorney General's Office  
500 South Second Street  
Springfield, Illinois 62706  
(217) 782-7968  
aarmstrong@atg.state.il.us

Of counsel:

STEPHEN J. SYLVESTER  
Senior Assistant Attorney General  
(312) 814-2087  
ssylvester@atg.state.il.us