

ILLINOIS POLLUTION CONTROL BOARD
July 13, 2000

IN THE MATTER OF:)
)
NATURAL GAS-FIRED, PEAK-LOAD) R01-10
ELECTRICAL POWER GENERATING)
FACILITIES (PEAKER PLANTS))

ORDER OF THE BOARD (by C.A. Manning):

In a letter dated July 6, 2000, Governor George H. Ryan requested the Illinois Pollution Control Board to conduct inquiry hearings concerning the potential environmental impact of natural gas-fired, peak-load electrical power generating facilities, known as peaker plants. In today's order, the Board details the Governor's request, provides background on the Board's inquiry hearing process, and sets forth how the Board will proceed with inquiry hearings on peaker plants consistent with the Governor's request.

THE GOVERNOR'S REQUEST

Citing the recent proliferation of peaker plants in Illinois, the Governor's letter asked that the Board hold public hearings and request public comment on the following issues:

1. Do peaker plants need to be regulated more strictly than Illinois' current air quality statutes and regulations provide?
2. Do peaker plants pose a unique threat, or a greater threat than other types of State-regulated facilities, with respect to air pollution, noise pollution, or groundwater or surface water pollution?
3. Should new or expanding peaker plants be subject to siting requirements beyond applicable local zoning requirements?
4. If the Board determines that peaker plants should be more strictly regulated or restricted, should additional regulations or restrictions apply to currently permitted facilities or only to new facilities and expansions?
5. How do other states regulate or restrict peaker plants?

To develop a complete record of information concerning these issues, the Governor requested the following State agencies to participate in the Board's proceedings: the Illinois Environmental Protection Agency; the Illinois Department of Natural Resources; the Illinois Department of Commerce and Community Affairs; the Illinois Department of Nuclear Safety; and the Illinois Commerce Commission.

The Governor asked that the Board, at the conclusion of these proceedings, issue written findings, based on the information in the record, and include the Board's recommendation on whether any further requirements should be imposed on peaker plants to safeguard the environment and, if so, whether future regulatory or legislative action is appropriate to achieve that objective.

BACKGROUND ON BOARD INQUIRY HEARINGS

The Board's authority to conduct inquiry hearings arises from the Environmental Protection Act (Act), 415 ILCS 5/1 *et seq.* (1998), and rules promulgated thereunder:

The Board may conduct such other noncontested or informational hearings as may be necessary to accomplish the purposes of the Act. Such hearings may include, but are not limited to, inquiry hearings to gather information on any subject the Board is authorized to regulate. 35 Ill. Adm. Code 102.104.

Board inquiry hearings provide a public forum where scientific, technical, and regulatory testimony and other information on a given subject can be presented on the record before the Board. The Board also may receive written public comment. All interested persons may participate in this process and the information presented becomes part of the official record of the proceedings.

After the hearings and any public comment period, the Board will issue a written informational order in which the Board will evaluate all of the information in the record and make its findings. The order also will include the Board's recommendation on whether additional steps should be taken to address an environmental issue and, if so, what steps would be appropriate.

INQUIRY HEARINGS ON PEAKER PLANTS

In today's order, the Board opens this docket, R01-10, to conduct public inquiry hearings on peaker plants. Below, the Board sets a series of inquiry hearings throughout the State, and establishes other procedures for these proceedings. A hearing officer order to be issued today sets forth the locations, dates, and times of the inquiry hearings, and describes in more detail the procedures that will govern the hearings and written public comment. Today's Board order and hearing officer order will be available on the Board's Web site (www.ipcb.state.il.us), as will all future Board orders and hearing officer orders in this matter.

Public Inquiry Hearings

At this time, the Board anticipates that it will conduct seven days of public inquiry hearings. The hearings will be held at five different locations throughout the State. The first hearing will be held in Chicago and is intended to provide the Board with background and technical information from State agencies and the affected industries. The next three hearings, to be held in the geographic regions most affected by current or proposed construction of peaker

plants, are intended to provide local citizens and local units of government with the opportunity to testify about peaker plants and present any other relevant information, concerns, or suggestions. A final hearing will be held in Springfield to address any downstate issues and any matters outstanding from the prior hearings.

The Board may schedule additional hearings if necessary to develop a complete inquiry hearing record. As with all Board hearings, these inquiry hearings will be transcribed by a court reporter and the full transcript of every hearing will be placed on the Board's Web site within several days of each inquiry hearing.

Public Comment

The Board will accept written public comments until at least 30 days following the last scheduled hearing. Public comments must contain the Board's docket number for this matter (R01-10), prominently displayed on the face of the comment. Public comments must be directed to the Board's Clerk's Office as follows:

Dorothy Gunn, Clerk
Illinois Pollution Control Board
100 W. Randolph, Suite 11-500
Chicago, Illinois 60601

All timely received public comments will become part of the Board's official record of these proceedings. To the extent practicable, the Board will post public comments on the Board's Web site.

The Record

In addition to public comments, the official record of these proceedings will contain hard copies of hearing transcripts and any exhibits, documents, or pleadings that the Board or hearing officer accepts. The record also will contain all Board orders and hearing officer orders issued in this matter. The record will be available for public viewing at the Board's Clerk's Office in Chicago.

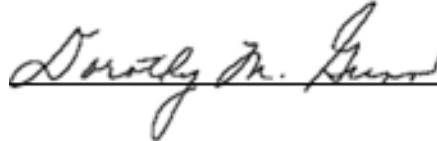
Informational Order

Once the inquiry hearings are completed and the comment period has closed, the Board will issue a written informational order in which the Board sets forth and evaluates the information presented and makes its findings. As the Governor requested, and consistent with the nature of Board inquiry hearings, the Board's order also will include its recommendation on whether any additional requirements should be imposed on peaker plants to protect the environment and, if so, whether future regulatory or legislative measures are needed to meet that objective.

At this time, the Board anticipates that it will issue its informational order at the Board's second public meeting in December, currently scheduled for December 21, 2000. The informational order, as with all Board orders, will be available on the Board's Web site.

IT IS SO ORDERED.

I, Dorothy M. Gunn, Clerk of the Illinois Pollution Control Board, hereby certify that the above order was adopted on the 13th day of July 2000 by a vote of 7-0.

A handwritten signature in cursive script, reading "Dorothy M. Gunn", written over a horizontal line.

Dorothy M. Gunn, Clerk
Illinois Pollution Control Board