

ILLINOIS POLLUTION CONTROL BOARD
June 26, 1975

IOWA-ILLINOIS GAS AND ELECTRIC CO.,)
)
) Petitioner,)
)
) v.) PCB 75-150
)
)
ENVIRONMENTAL PROTECTION AGENCY,)
)
) Respondent.)

OPINION AND ORDER OF THE BOARD (by Mr. Zeitlin):

This case comes before the Pollution Control Board (Board) on a Petition for Variance filed by the Iowa-Illinois Gas and Electric Company (Iowa-Illinois) on April 7, 1975. An Environmental Protection Agency (Agency) Recommendation was received by the Board on June 23, 1975. No hearing was held in this matter.

Iowa-Illinois, an Illinois Corporation, generates electric energy for use in both the Illinois and Iowa Quad-Cities areas, including the cities of Rock Island, Moline, and East Moline, in Illinois, and Davenport, Bettendorf, Iowa City and Fort Dodge, in Iowa. Iowa-Illinois also serves additional nearby areas in Iowa and Illinois. Petitioner's generation sources for this load include the Quad-Cities nuclear station (Cordova, Illinois), Riverside Generating Station (Bettendorf, Iowa), and facilities at Coralville, Iowa and Moline Generating Station in Illinois. In addition to the above units, Iowa-Illinois has interconnection agreements with other utilities which are utilized when necessary.

The Petition in this matter concerns several of the units located at Petitioner's Moline Generating Station. Those units for which this Variance is requested are those units at Moline which utilize distillate oil as a fuel. Because of the economics of fuel utilization, those units are normally utilized only after the nuclear capacity at Quad-Cities, the coal-fired capacity at Riverside, the natural gas-fired facilities at Riverside, Coralville, and Moline, and the energy available through interconnections to other utilities have been utilized. In essence, units in issue here are peaking units, used when other sources maintain peak and reserve capabilities; they are primarily utilized over a sixteen-week summer peaking period, in June, July, August and September. In addition, these units are used to fulfill reserve obligations of Iowa-Illinois in relation to its interconnections with other utilities. Finally, these units are used as back-up capacity for periods when other facilities are out of operation for maintenance or because of breakdowns.

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The oil-fired generating facilities at Moline represent 144 megawatts of generating capacity, and utilize No. 2 distillate oil. The Moline Station has a maximum utilization rate of 15,000 gallons per hour, or 360,000 gallons per day, of oil. Iowa-Illinois has approximately 5.6 million gallons of such oil in storage to provide for usage at the Moline Station. This constitutes about a fifteen-day reserve supply.

These oil supplies contain approximately 0.5% sulfur by weight, which equate to a flue gas discharge of approximately 0.52 (according to the Petitioner's figures) or 0.56 (according to the Agency) pounds of sulfur dioxide emitted per million BTUs of heat input. The applicable standard, under Board Rule 204 (c)(2)(B) of Chapter 2: Air Pollution, of the Board's Rules and Regulations, is 0.3 pounds of sulfur dioxide emissions per million BTU of heat input, when distillate fuel oil is burned. That standard is applicable after May 30, 1975, under the provisions of Rule 204(h)(2).

Petitioner's compliance plan for Rule 204 (c)(2)(B) is the use of low sulfur oil. Petitioner has requested a Variance for one year to allow the usage of its existing 5.6 million gallon reserve of 0.5% sulfur oil. Alternatively, Petitioner asks that its Variance extend until such time as the 5.6 million gallon reserve has been exhausted. However, Petitioner also notes (at page 9 of the Petition) that in the course of anticipated operations, it would expect to burn the 5.6 million gallon reserve on or before September 30, 1975. For that reason, the Agency in its Recommendation asked that the Variance be granted only until October 1, 1975.

At the time Iowa-Illinois filed its Variance Petition in this matter, there was some question as to the availability of low sulfur oil under Federal Energy Administration Regulations. Iowa-Illinois noted that a conversion to low sulfur oil would be allowed under proposed FEA Regulations, and also that it had requested an exception from the existing FEA Regulations, which prohibited such conversion. Petitioner does state that, once conversion is allowed by FEA, it will have available the necessary sources of low sulfur oil.

The Agency Recommendation points out that the FEA has taken regulatory action since the filing of the Iowa-Illinois Variance Petition. The Board may take official notice of that action, contained in Volume 40 of the Federal Register, published on Friday, April 11, 1975. The Board notes that Amendments there published to 10 CFR § 215 now allow the conversion to petroleum products having a lower specified sulfur content by weight with 30 days notice to the FEA. As a result, the Board finds that Iowa-Illinois is now legally entitled to convert to sulfur oil, which is commercially available.

The Board also finds that Petitioner has adequately demonstrated the hardship which would result were this Variance not granted. Although many of the hardships described by Petitioner have been mooted by the FEA regulatory action, insofar as Iowa-Illinois would be able to burn low sulfur oil even in the absence of a Variance,

there nonetheless remains sufficient hardship to allow a grant here. The Board sees no reason to require that Petitioner dispose of those quantities of oil having a high sulfur content which were, under the prior FEA regulatory scheme, the only types of oil available. Petitioner's claimed hardship cannot be seen as self imposed; in a practical sense, Iowa-Illinois had no choice but to acquire the present stocks of high-sulfur oil. According to Petitioner, load factors demanded the reserve capacity, and no other oil was available to Petitioner under federal law. We shall allow Iowa-Illinois to exhaust its existing supplies while working toward compliance with low sulfur oil.

Turning now to the recent United States Supreme Court decision of Train v. N.R.D.C., 44 USLW 4467 (U.S., April 16, 1975), the Board finds that the criteria there applied to the grant of Variances will not prevent such a grant here. In its Recommendation the Agency cited 1973 and 1974 air quality data indicating that the federal ambient air quality standards have not been violated. Maximum twenty-four hour concentrations of sulfur dioxide, measured at the Rock Island County Building, approximately 3 miles from Iowa-Illinois Generating Plant, were .057 ppm and .101 ppm for 1973 and 1974, respectively. The second highest maximum twenty-four hour concentration for 1974 was .069 ppm. Annual concentrations for 1973 and 1974 were .011 ppm, and .018 ppm, respectively. (The annual standard for SO₂ is 0.03 ppm, and the twenty-four hour standard is 0.14 ppm, not to be exceeded more than once per year.) The Board notes with some apprehension that these figures may indicate an increase in sulfur dioxide loading in the area affected by this Variance, but does not find that these figures provide evidence indicating that the Variance must be denied. The figures show compliance with the federal ambient air quality standards, for both 1973 and 1974. Petitioners neither cause nor contribute to any violations of those standards. The facts being thus, the prohibition in the Train case is inapplicable.

In summary, the Board agrees with the Agency that a Variance is warranted in this situation. We further agree, however, that Petitioner has not shown any reason why the Variance should extend beyond October 1, 1975, particularly in light of the recent FEA Regulatory Order making a conversion to low sulfur oil possible. Taking into account the fact that Section 36(a) of the Environmental Protection Act requires a performance bond to assure completion of the work covered by the Variance, where the hardship complained of consists solely of the need for a reasonable delay to correct a violation of Board Regulations, the Board feels that such assurance is not necessary here. Should, for some reason, any high sulfur oil remain in Petitioner's reserves after October 1, 1975, either further Variance proceedings, or Enforcement proceedings, will then be in order. It is plainly in Petitioner's self interest to deplete the existing

stocks of high sulfur oil.

This Opinion constitutes the findings of fact and conclusions of law of the Board in this matter.

ORDER

It is the Order of the Pollution Control Board that Petitioner Iowa-Illinois Gas and Electric Company be granted a Variance from the provisions of Rule 204(c)(2)(B) of Chapter 2: Air Pollution, of the Board's Rules and Regulations, to allow the usage of existing stocks of high sulfur oil in its oil-fired units at the Moline, Illinois, Generating Station. This Variance shall run until October 1, 1975, or until all existing stocks of such high sulfur oil have been exhausted, whichever is sooner. This Variance is subject to the following conditions:

a) Petitioner Iowa-Illinois Gas and Electric Company shall submit bi-monthly progress reports, commencing one month subsequent to the entry of this Order, detailing the amounts of high sulfur oil remaining in stockage, and the amounts of such oil utilized at the Moline Generating Station, and progress made in the purchase and storage of low sulfur distillate oil to achieve compliance as more fully set out in the accompanying Opinion, to:

Illinois Environmental Protection Agency
Division of Air Pollution Control
Control Program Coordinator
2200 Churchill Road
Springfield, Illinois 62706

Mr. Dumelle dissents.

I, Christan L. Moffett, Clerk of the Illinois Pollution Control Board, hereby certify the above Opinion and Order were adopted on the 26th day of June, 1975 by a vote of 3-1.

Christan L. Moffett (gr)
Christan L. Moffett, Clerk
Illinois Pollution Control Board