

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

**AMEREN ENERGY GENERATING
COMPANY, AMERENENERGY RESOURCES
GENERATING COMPANY, AND ELECTRIC
ENERGY, INC.,**

Petitioners,

v.

**ILLINOIS ENVIRONMENTAL PROTECTION
AGENCY,**

Respondent.

**PCB 09-_____
(Variance – Air)**

NOTICE OF FILING

To:

John Therriault, Assistant Clerk
Illinois Pollution Control Board
James R. Thompson Center
Suite 11-500
100 West Randolph
Chicago, Illinois 60601

Illinois Environmental Protection Agency
Division of Legal Counsel
1021 North Grand Avenue, East
P.O. Box 19276
Springfield, Illinois 62794-9276

PLEASE TAKE NOTICE that we have today electronically filed with the Office of the Clerk of the Pollution Control Board **PETITION FOR VARIANCE, AFFIDAVIT OF MICHAEL L. MENNE, and APPEARANCES OF RENEE CIPRIANO, KATHLEEN C. BASSI, AND AMY ANTONIOLLI**, copies of which are herewith served upon you.



Amy Antonioli

Dated: October 1, 2008

Renee Cipriano
Kathleen C. Bassi
Amy Antonioli
SCHIFF HARDIN, LLP
6600 Sears Tower
233 South Wacker Drive
Chicago, Illinois 60606
312-258-5500

CERTIFICATE OF SERVICE

I, the undersigned, certify that on this 1st day of October, 2008, I have served electronically the attached **PETITION FOR VARIANCE, AFFIDAVIT OF MICHAEL L. MENNE, and APPEARANCES OF RENEE CIPRIANO, KATHLEEN C. BASSI, and AMY ANTONIOLLI**, upon the following persons:

John Therriault, Assistant Clerk
Illinois Pollution Control Board
James R. Thompson Center
Suite 11-500
100 West Randolph
Chicago, Illinois 60601

and by first class mail, postage affixed, upon:

Illinois Environmental Protection Agency
Division of Legal Counsel
1021 North Grand Avenue, East
P.O. Box 19276
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SERVICE LIST

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and by first class mail, postage affixed, to the persons listed on the **ATTACHED SERVICE LIST**.

CH2\2736970.1

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

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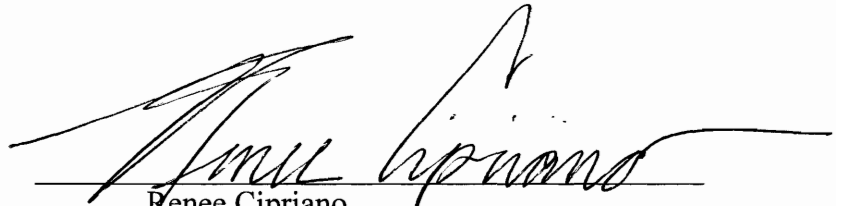
ILLINOIS ENVIRONMENTAL PROTECTION)
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Respondent.)

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(Variance – Air)

APPEARANCE

I, Renee Cipriano, hereby file my appearance in this proceeding on behalf of Petitioner,
Ameren Energy Generating Company, AmerenEnergy Resources Generating Company, and
Electric Energy, Inc.



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ILLINOIS ENVIRONMENTAL PROTECTION)
AGENCY,)

Respondent.)

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(Variance – Air)

APPEARANCE

I, Kathleen C. Bassi, hereby file my appearance in this proceeding on behalf of Petitioner, Ameren Energy Generating Company, AmerenEnergy Resources Generating Company, and Electric Energy, Inc.



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Dated: October 1, 2008

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ILLINOIS ENVIRONMENTAL PROTECTION)
AGENCY,)

Respondent.)

PCB 09-_____
(Variance – Air)

APPEARANCE

I, Amy Antonioli, hereby file my appearance in this proceeding on behalf of Petitioner,
Ameren Energy Generating Company, AmerenEnergy Resources Generating Company, and
Electric Energy, Inc.



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Dated: October __/__, 2008

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

AMEREN ENERGY GENERATING COMPANY, AMERENENERGY RESOURCES GENERATING COMPANY, AND ELECTRIC ENERGY, INC.,)
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PETITION FOR VARIANCE

NOW COME AMEREN ENERGY GENERATING COMPANY, AMERENENERGY RESOURCES GENERATING COMPANY, and ELECTRIC ENERGY, INC. (collectively, “Ameren” or “Petitioners”), by and through their attorneys, SCHIFF HARDIN, LLP, and, pursuant to Sections 35 and 37 of the Environmental Protection Act, 415 ILCS 5/35, 37, (“Act”) and 35 Ill.Adm.Code Part 104, Subpart B, request that the Board grant Petitioners a variance from a provision of the Illinois Multi-Pollutant Standard (“MPS”), 35 Ill.Adm.Code § 225.233,¹ for the period beginning January 1, 2013, through December 31, 2014. Despite the Board’s usual practice, the provisions of the regulations from which Petitioners here seek relief require that Ameren seek this relief on a system-wide basis, rather than on a power station-by-power station basis. Ameren will suffer arbitrary or unreasonable hardship if the Board does not grant this requested variance.

¹ Hereinafter, citations to the Board’s regulations will be by section number only.

Specifically, Ameren seeks a variance from only one of many components of the MPS. Section 225.233(e)(2)(A) establishes an emissions rate for sulfur dioxide (“SO₂”) that is, in reality, an interim or mid-point rate of 0.33 lb/mmBtu² in 2013 and 2014, with the ultimate or final emission rate of 0.25 lb/mmBtu required for 2015 and thereafter.

Ameren has sought several variances in the last 10 years, but they all concerned water pollution control issues.³ Ameren has never sought a variance from Section 225.233(e)(2)(A).

In support of its petition, Petitioners state as follows:

A. AMEREN GENERATES ELECTRICITY IN ILLINOIS AT SEVEN COAL-FIRED POWER STATIONS.

1. Ameren owns and operates seven coal-fired power plants for the generation of electricity in several locations in downstate Illinois. These plants are the Coffeen Power Station located in Montgomery County, the Duck Creek Power Station located in Fulton County, the E.D. Edwards Power Station located in Peoria County, Joppa Power Station located in Massac County, the Hutsonville Power Station located in Crawford County, the Meredosia Power Station located in Morgan County, and the Newton Power Station located in Jasper County. *See* Ex. 1, a map depicting the power stations’ locations. All of these counties are designated attainment for

² Section 225.233(e)(2)(A) provides that MPS sources must comply with an SO₂ emission rate of 0.33 pounds per million British thermal units (“lb/mmBtu”) or 44% of its baseline, whichever is more stringent. In Ameren’s case, the 0.33 lb/mmBtu is the more stringent requirement and that is the rate that is discussed in this Petition.

³ The Board granted Ameren variances under the following dockets: PCB 99-21 (December 17, 1998) (Duck Creek Power Station, from the water quality standards for boron at Section 302.208), and PCB 01-16 (November 16, 2000) (Grant Tower Power Station from the total boron limits and water quality standards of Sections 302.208 and 304.105). In 1999 and 2007, Ameren has also received two provisional variances from the Board, also related to water pollution control issues.

all pollutants. See USEPA's Green Book (list of national attainment and nonattainment designations) at < <http://www.epa.gov/oar/oaqps/greenbk/> >.

2. The Agency maintains a comprehensive, state-wide network of air quality monitoring stations. Exhibit 1 is a copy of the map included in the Agency's *Illinois Annual Air Quality Report 2006* at page 34 providing the locations of the air quality monitoring stations. Ameren has superimposed the locations of its power stations on this map to illustrate their positions relative to the monitoring stations.

3. The principal emissions at Ameren's coal-fired power plants are SO₂, nitrogen oxides ("NO_x"), and particulate matter ("PM"). SO₂ is currently generally controlled through the use of low sulfur coal or blending low sulfur coal with Illinois coal containing higher levels of sulfur. There is an existing scrubber (flue gas desulfurization – "FGD") at Duck Creek that is being upgraded and replaced with a wet FGD. This retrofit will be in service no later than 2010. Additionally, the Agency has issued construction permits for the Coffeen Power Station for the installation of two FGDs, also scheduled to go online by 2010. FGDs at other stations are expected to be online by 2015 to comply with the 0.25 lb/mmBtu emission rate but will be staggered in time. So these other FGDs will actually go online at various times between 2010 and 2015 and will significantly improve Ameren's system-wide SO₂ emission rate prior to and during the pendency of the requested variance. NO_x emissions are generally controlled by various combinations of low sulfur coal, low NO_x burners, over-fire air, and selective catalytic reduction systems ("SCRs"). PM is generally controlled through the use of flue gas conditioning and electrostatic precipitators. The addresses of the seven power stations, their Agency identification numbers, permit application numbers, and other pertinent information regarding

their output, pollution control equipment, and SO₂ emissions are provided in Table 1, attached to this Petition. Ameren employs approximately 985 persons at these seven power stations.

B. AMEREN SOUGHT THE MPS IN 2006 SPECIFICALLY TO COORDINATE EMISSION CONTROL DECISIONS IN ACCORDANCE WITH A REASONABLE VIEW OF FUTURE REGULATORY REQUIREMENTS.

4. In May 2005, the U.S. Environmental Protection Agency (“USEPA”) promulgated regulations requiring reductions of emissions of SO₂ and NO_x in the Clean Air Interstate Rule (“CAIR”) to address ozone and fine particulate (“PM_{2.5}”) nonattainment areas, 70 Fed.Reg. 25162 (May 12, 2005), and of mercury emissions in the Clean Air Mercury Rule (“CAMR”), 70 Fed.Reg. 28606 (May 18, 2005). The CAIR included most of the eastern United States as well as several states west of the Mississippi River, while the CAMR applied to the lower 48 states. Both of these rules applied to coal-fired electric generating units (“EGUs”) serving generators with nameplate capacities greater than 25 megawatts (“MW”).⁴ Both of these programs established caps on emissions of certain pollutants for each affected state and provided that the states could choose to participate in USEPA-administered emissions trading programs if their state programs met certain minimum requirements. Ameren’s coal-fired EGUs are the type of units that were impacted by these federal programs.

5. By January 2006, the Illinois Environmental Protection Agency (“Agency”) had commenced outreach regarding its intended regulatory proposals to satisfy these federal requirements with the Illinois EGUs and other interested parties. The Board subsequently adopted the Illinois mercury rule at R06-25 (December 21, 2006) and the Illinois CAIR at R06-26 (August 23, 2007) in substantively the same form as initially proposed, with one major

⁴ The CAIR applied more generally to fossil fuel-fired EGUs, while the CAMR was limited in applicability to just coal-fired EGUs.

exception in each rule: the addition of the MPS to the Illinois mercury rule and of the Combined Pollutant Standard to the Illinois CAIR. The rules that the Board adopted differ significantly from the federal rules in two very important ways. First, the Illinois mercury rule is a command-and-control approach, requiring a 90% reduction from input mercury from affected coal-fired power plants,⁵ and eschews participation in the federal trading program. Second, although Illinois remained in the NOx and SO₂ trading programs administered by USEPA, the Illinois CAIR includes a Clean Air Set-Aside (“CASA”) of 25% of the statewide emissions cap. The CASA allowances were not removed from the overall trading pool but were intended to incentivize projects that would improve efficiency, result in early reductions, or have other environmental benefits. The effect of the CASA was to make the CAIR requirements in Illinois more stringent than the federal rule and most other states’ CAIRs, because the CASA allowances were removed from the pool of allowances for Illinois EGUs. Illinois EGUs were eligible under only some of the various CASA incentive programs, limiting the opportunity for the EGUs to regain allowances from the CASA.

6. In evaluating its environmental compliance strategy and the technology available for mercury compliance and for monitoring that compliance in 2006 when the Agency was conducting its outreach and the rules were pending before the Board, Ameren determined that it made the most sense for it to attempt to partner with the Agency on a more comprehensive approach to the Illinois mercury rule that would address mercury in coordination with other known air emission regulatory requirements, notably the CAIR, including use of potential co-benefit emission control technologies that reduce not only mercury but also NOx and/or SO₂. While recognizing and accepting that the injection of halogenated powdered activated carbon can

⁵ That is, those with nameplate capacities greater than 25 MWe.

reduce mercury emissions, even in light of the Agency's claims that injection of halogenated sorbents would sufficiently reduce mercury, Ameren did not believe that considerably high levels of mercury removal at all units could be achieved in the short run or that the reductions could be measured sufficiently accurately to assure compliance with the mercury emission limitations. Noncompliance – or even the possibility of noncompliance – was not an option.

7. Even though the Illinois CAIR program opted in to the federal emissions trading programs, Ameren determined that compliance with the Illinois CAIR would require the installation of various combinations of pollution control equipment. The pollution control equipment necessary to reduce NO_x emissions, *i.e.*, SCRs and selective non-catalytic reduction equipment (“SNCRs”), and SO₂ emissions, *i.e.* FGDs, for the CAIR, as well as baghouses for PM_{2.5} control, also enhance a source's ability to reduce mercury and, therefore, enhance Ameren's ability to ensure compliance with Illinois' very strict mercury emissions limitations. Since these technologies were necessary for Ameren to comply with both the CAIR and the Illinois mercury rule, Ameren deemed it essential for it to be able to coordinate the two regulatory requirements. However, the equipment could not be installed by July 1, 2009, the compliance date for the mercury rule.

8. For these reasons, then, Ameren approached the Agency with a proposal that was reflected eventually in the MPS adopted by the Board as part of the Illinois mercury rule at Section 225.233.⁶ Ameren, indeed, opted in to the MPS on December 27, 2007, *see* Ex. 2, and

⁶ The MPS is a rule of general applicability, available to any of the Illinois coal-fired generation companies who chose to take advantage of its provisions. Nevertheless, it was the result of negotiations between Ameren and the Agency and was born from Ameren's analysis of foreseeable regulatory requirements, the interrelationship and need for coordination between mercury, NO_x, and SO₂ control planning, and its resulting business plan.

became subject to the NOx and SO₂ provisions of the MPS at that time.⁷

9. The MPS requires Ameren to install and operate sorbent injection systems or SCR/FGD systems but extends the deadline for Ameren to demonstrate compliance with the 90% mercury reduction requirement until 2015. The MPS also establishes strict, declining emissions limitations for NOx and SO₂ over a period of time, including a system-wide SO₂ limit of 0.33 lb/mmBtu in 2013, declining to a rate of 0.25 lb/mmBtu in 2015, and precludes trading of any excess NOx and SO₂ allowances that result of the installation and operation of the pollution control equipment necessary for it to meet the applicable emissions limitations. That is, because the MPS restricts the emissions trading otherwise available under the CAIR, Ameren must install and operate pollution control equipment, as discussed above, and cannot rely on allowance purchases as a planning or timing tool.

10. In order to meet the emission reduction objectives of the MPS, Ameren must plan for and finance the purchase the necessary pollution control equipment. Since the MPS requires compliance with specified emissions rates, Ameren does not have the flexibility available to non-MPS companies to delay this equipment planning and financing through purchases of allowances to satisfy its compliance obligations until the financial, labor, and equipment markets are more advantageous or Ameren's own financial position is better. The procurement process for these significant pollution control devices is approximately four years. Ex. 3, p. 5. For example, in order for Ameren to comply with a significantly reduced SO₂ emission limit in 2013, it must

⁷ Ameren's MPS Group included units owned or operated by Ameren Energy Generating Company, AmerenEnergy Resources Generating Company, and Electric Energy, Inc., all subsidiaries of Ameren Corporation. The units of all of these subsidiaries of Ameren Corporation were required to be included in a single MPS group by Section 225.233(a)(2). At the seven power plants owned and operated by Ameren are 21 individual EGUs that comprise the MPS Group.

commence its procurement process in mid-2008. The initial phases of Ameren's procurement process involve internal development of the project, including conceptual engineering, necessary for obtaining management approval to proceed. Once management has approved the project, Ameren's procurement process extends to agreements that involve securing funding and contracting with consultants who will help with the permitting process and will do the detailed engineering. These steps can take more than two years. The permitting process must be completed and a construction permit issued before any actual construction can commence. Ameren estimates six to nine months for the permitting process alone. The estimated time for construction, tie-in, and commissioning, startup, and testing of an FGD is approximately three years. From concept to online operation, the period is approximately four and one-half years.

C. THE VACATURS OF THE CAMR AND PARTICULARLY THE CAIR HAVE CREATED CONFUSION, UPHEAVAL, AND UNCERTAINTY SUCH THAT WHAT APPEARED REASONABLE IN 2006 IS NO LONGER SO.

11. In February 2008, the U.S. Court of Appeals for the District of Columbia ("D.C. Circuit") vacated the CAMR. *See State of New Jersey v. Environmental Protection Agency*, 517 F.3d 574 (D.C. Cir. 2008). The court determined that USEPA had erred in the methodology it had used to remove EGUs from the list of sources subject to the maximum available control technology (MACT) requirements of the Clean Air Act. Several parties filed for rehearing of this decision; however, these petitions were denied in May 2008. *New Jersey*, Docket No. 05-1097 (consolidated), Orders (May 20, 2008). The deadline for filing petitions for certiorari with the U.S. Supreme Court is October 17, 2008. *See* <http://origin.www.supremecourtus.gov/docket/08a117.htm>.

12. On July 11, 2008, the D.C. Circuit vacated the federal CAIR. *See State of North Carolina v. Environmental Protection Agency*, --- F.3d ---, 2008 WL 2698180 (C.A.D.C. 2008).

The court found that the CAIR contained so many flaws that it was not possible for the court to merely remand the rule. *North Carolina*, 2008 WL 2698180, pp. *1, *58-*59. In its decision, the court found that USEPA does not have the authority to terminate or alter Title IV⁸ allowances. *North Carolina*, 2008 WL 2698180, p. *45. Under Title IV, USEPA issues allowances pursuant to the Acid Rain Program. Acid Rain sources, such as all of Ameren's EGUs, are required to surrender an allowance for each ton of SO₂ it emits. The CAIR SO₂ program was piggy-backed onto the Acid Rain Program, and sources were required to surrender Acid Rain allowances at a rate greater than required by the Acid Rain Program. The court likewise found errors in USEPA's methodology for determining how states' emissions affected downwind nonattainment and maintenance areas and the state emissions caps. The "relief" that the court granted with respect to CAIR NO_x exceeded that requested by any party. The vacatur of the entire CAIR has resulted in tremendous upheaval and uncertainty for both states and the regulated community. Petitions for rehearing of the CAIR vacatur were due August 25, 2008, but USEPA has petitioned for an extension of that deadline; the D.C. Circuit granted the motion for extension on August 15, 2008. Ex. 4. USEPA and three intervenors filed petitions for rehearing on September 24, 2008.⁹

13. The vacatur of the federal CAIR means that the Illinois CAIR at 35 Ill. Adm. Code 225. Subparts C, D, and E is invalid. The Illinois CAIR had as its purpose the control of SO₂ and NO_x emissions from EGUs through implementation of and participation in the federal CAIR trading programs. *See* 35 Ill. Adm. Code §§ 225.300, 225.400, and 225.500. The NO_x Budget

⁸ Title IV of the Clean Air Act: 42 U.S.C. §§ 7651-7651o.

⁹ Ameren does not know, as of the date of filing, whether any other parties filed petitions for rehearing.

Trading Program, codified in Illinois at 35 Ill.Adm.Code 217.Subpart W, remains intact, *North Carolina*, 2008 WL 2698180, pp. *59-*60, as neither the Board nor the Agency has taken any action, to Ameren's knowledge, to suspend or repeal the provisions of Subpart W. However, the loss of the Illinois CAIR also means the loss of the CASA.

14. Ameren expected to qualify under the CASA for a number of allowances that would have helped to offset the cost of the control equipment that Ameren is installing. These projects included FGDs sufficient to scrub nine or 10 units and SCRs and SNCRs on selected units. All of these projects would have been eligible for allowances from the CASA in the early adopter category pursuant to Section 225.460(f) and would have been eligible for allowances for a period of 10 years pursuant to Section 225.470(d)(2). These allowances could have been used to defray compliance costs or capital expenditures.¹⁰

15. Ameren is currently evaluating the impact of these decisions on its environmental compliance strategy, including its estimated environmental capital costs. The purpose of this evaluation of multiple power plant locations and compliance strategies within Ameren's electric generation fleet is to identify the optimal locations for capital investment consistent with the goal of making smart capital investment decisions while maintaining operational flexibility within a competitive energy market. Clearly, the climate has changed since 2006. At this point in time, Ameren is unable to predict the outcome of the legal proceedings following on the CAMR and CAIR vacatur. The vacatur has also elevated the speculation that Congress may directly address these trading programs, *see, e.g.*, Ex. 3, pp. 3-4; 5; 6, though the timing is not at all

¹⁰ Had Ameren received the maximum number of allowances available, it could have realized as much as \$3.8 million per year through 2014 and \$3.2 million per year for the remaining years in the 10-year period for which they would have been eligible, assuming a value of \$2,500/NOx allowance.

certain, particularly given the fact that this is an election year, Exs. 26, 27, 28. States are in turmoil, and the National Association of Clean Air Agencies is apparently drafting a model rule for states to use to address the issue. Ex. 7. Finally, the State of North Carolina has asked the D.C. Circuit for expedited briefing on its appeal of USEPA's denial of its Clean Air Act Section 126 petition to address interstate pollution transport, 42 U.S.C. § 7426(b), since USEPA's denial was based in large measure on the CAIR program. The prospect that USEPA could become obligated to issue Section 126 rules for the reduction of NO_x and SO₂ in the near future looms.

16. What is clear is that the Agency must evaluate the impact of the D.C. Circuit's vacatur of the CAIR on its ability to demonstrate attainment of the ozone and PM_{2.5} national ambient air quality standards ("NAAQS") and its state implementation plan ("SIP") addressing visibility or haze. Like most states in the CAIR region, the Agency relied or planned to rely on the CAIR for a large part of its attainment demonstration and visibility SIPs. Illinois has submitted to USEPA its visibility SIP and its ozone attainment demonstration for the Metro-East ozone nonattainment area, but their validity, particularly that of the visibility SIP, is now in question. The Agency has yet to submit its ozone attainment demonstration for the Chicago nonattainment area or its PM_{2.5} attainment demonstrations for both nonattainment areas. The Agency was relying on the CAIR particularly for the PM_{2.5} attainment demonstrations. Ameren understands that the Agency, through the Lake Michigan Air Directors Consortium (LADCO) is planning modeling that excludes CAIR reductions. However, it is not yet clear what the results are or how the Agency will be able to implement the results.

17. Adding to the levels of uncertainty surrounding the ozone and PM_{2.5} NAAQS, USEPA lowered the ozone NAAQS to 0.750 ppm (8-hour standard) in March 2008. 73 Fed.Reg. 16436 (March 27, 2008). Illinois must submit attainment/nonattainment designations by

March 12, 2009. 42 U.S.C. § 7407(d)(1)(A); 73 Fed.Reg. at 16503. The attainment date for the new ozone standard depends upon the classification of nonattainment and must conform with the schedules set forth in Section 181 of the Clean Air Act. *ATA v. Whitman*, 531 U.S. 457 (2001). This will require, at the least, federal guidance to be published in the *Federal Register*. Illinois' attainment demonstration is due by March 12, 2011. 42 U.S.C. § 7410(a)(1); 73 Fed.Reg. at 16503. Ameren is not aware of any timeframes for this guidance or federal rulemaking. However, given the most recent ambient ozone levels in Illinois readily available to the public, *see* Ex. 8, Ameren can speculate that the current ozone nonattainment areas may again be classified as marginal or moderate nonattainment, which makes the attainment date three or six years after designation, or 2013 or 2016, depending upon the classification. 42 U.S.C. § 7511(a)(1). Potentially, Illinois will require additional precursor reductions to meet this new standard, but it is not at all clear what those additional requirements will be, when they will be required, and whom they will affect. Moreover, some states have formally requested that USEPA enter into a dialogue with them regarding a new multi-state approach to address transport of criteria pollutants or precursors. *See* Ex. 9. It is unclear what that dialogue, if it occurs, will require of companies such as Ameren; given the pollutants identified in Ex. 9, however, it is certain to include companies such as Ameren.

18. USEPA also revised the 24-hour standard for PM_{2.5} as the Board was in the process of adopting of the Illinois mercury rule. 71 Fed.Reg. 61144 (October 17, 2006). According to an August 18, 2008, letter to Governor Blagojevich, USEPA intends to promulgate designations by December 18, 2008. Ex. 10. Attainment demonstrations are due by October 17, 2009. 42 U.S.C. § 7410(a)(1). The Agency has proposed that the PM_{2.5} nonattainment areas remain the same as they are under the "old" PM_{2.5} NAAQS. Ex. 11, p. 1. Ameren is unaware of

the Agency's plans regarding measures that might be necessary for it to make that attainment demonstration. Of additional concern, however, USEPA has requested further information from the Agency regarding operations at Ameren's Joppa Power Station Power Station, as the Paducah-Mayfield Combined Statistical Area contains a monitor with a design value of 36 $\mu\text{g}/\text{m}^3$.¹¹ Ex. 11, pp. 11-16. This Combined Statistical Area includes Massac County where Ameren's Joppa Power Station Power Station is located. If USEPA were to proceed with this designation, this would be an entirely new nonattainment area for Illinois. Ameren cannot begin to predict how the Agency would address nonattainment in Massac County.

19. Ameren believes that Illinois' mercury rule is generally not affected by the vacatur of the CAMR, because Illinois' rule did not rely on any of the provisions of the CAMR for its authority. Rather, the Board adopted a mercury rule that forced the Agency to have to take additional steps to demonstrate to USEPA that it was sufficient to meet the state's mass mercury emissions cap. The monitoring provisions are affected, and Ameren believes that there are a couple elements of the MPS that are affected, including the allowance surrender requirements; otherwise, though, the Illinois mercury rule is intact.

20. Prior to the vacatur of the CAIR, Ameren had estimated that its capitals costs of compliance with the Illinois CAIR, the Illinois mercury rule (including the MPS), Illinois' requirements to address visibility, and Illinois' requirements to address attainment of both the ozone and PM2.5 NAAQS, based on current technology, would be \$500 million in 2008, \$1.595-2.060 billion in 2009-2012, \$135-190 million in 2013-2017, for a total of \$2.230-2.750 billion by 2017. Ameren is reviewing the timing and ultimate amount of the capital costs, given the

¹¹ The "new" 24-hour PM2.5 NAAQS is 35 $\mu\text{g}/\text{m}^3$. 71 Fed.Reg. 61144 (October 17, 2006).

vacatur. These estimates could change depending upon additional federal or state requirements, the ultimate outcome of any appeals relative to the CAIR and CAMR vacatur, new technology, or variations in costs of material or labor, among other reasons.

21. The financial ramifications of the vacatur of the CAIR and CAMR have been exacerbated in recent weeks by the tumultuous events on Wall Street. The implications of the necessity of the federal government to step in and provide unprecedented support to key financial institutions and the economy, as the Board is aware, reverberate throughout all business sectors. Although it was becoming clearly more difficult to obtain financing of very large projects such as those described above prior to the events of mid-September, uncertainty surrounding financing has increased substantially. Ameren is convinced that it must proceed cautiously with large capital projects in order to maintain financial flexibility and the integrity of the generation system essential to preserving Illinois' economy and, hence, Illinois jobs.

D. SINCE ADOPTION OF THE MPS IN 2006, IT HAS BECOME INCREASINGLY LIKELY THAT THERE WILL BE SOME FORM FEDERAL AND PERHAPS REGIONAL REGULATION OF GREENHOUSE GASES, CREATING ADDITIONAL UNCERTAINTY WITH HUGE COMPLIANCE AND FINANCIAL IMPLICATIONS.

22. In April 2007, the U.S. Supreme Court determined that USEPA has the authority to regulate carbon dioxide ("CO₂") and other greenhouse gases ("GHGs") from automobiles as "air pollutants" under the Clean Air Act. *Massachusetts v. Environmental Protection Agency*, 127 S.Ct. 1438 (2007). The Supreme Court remanded the case to USEPA, which must conduct a rulemaking process to determine whether GHGs contribute to climate change "which may reasonably be anticipated to endanger public health or welfare." *Massachusetts*, 127 S.Ct. at 1460, 1462. In July 2008, USEPA issued an advance notice of proposed rulemaking ("ANPR") in response to the Supreme Court's directive. 73 Fed.Reg. 44354 (July 30, 2008). The ANPR

addresses GHG controls not only on mobile sources, the subject of *Massachusetts*, but also on stationary sources. In the preface to the ANPR, USEPA expressed a concern that the Clean Air Act is ill-suited for this purpose and would result in a convoluted and ineffective set of regulations. Nevertheless, there is great pressure on and by Congress to address GHGs and for USEPA to do something to regulate GHGs. New regulations resulting from the rulemaking process are not expected this year, but USEPA could begin to regulate GHGs at some point in the future. Likewise, there is a general expectation that Congress will act in some fashion sooner rather than later, and both Presidential candidates have pledged to enact a GHG regulatory program. If Congress fails to act, the Supreme Court in *Massachusetts* says that USEPA must act.

23. The greatest uncertainty that coal-fired power generators face today is how and when they will be regulated to address climate change. Most electric generation companies today, Ameren included, do not doubt that shortly there will be some form of climate change-related regulation to which they will be subject. The questions for them as they diligently plan for the future are how they will be regulated and when that will occur. The cost of compliance with a GHG regulatory program will likely dwarf every environmental control requirement to date. Merchant plant companies like Ameren's Illinois plants face even greater uncertainty because they cannot assume they will recover their GHG compliance costs through rates paid by users; rather, they must remain competitive in the market. Thus, GHG regulation will force major decisions that were neither necessary nor anticipated even two years ago, and those decisions could change the entire face of the electric generation industry. Ameren has a responsibility and a duty to its customers, employees and stockholders to address these changes in the most efficient manner possible. This means that Ameren must, first of all, comply with

whatever requirements become applicable. That compliance, however, must reflect the most cost-effective approach achievable while maintaining the levels of generation necessary to support the grid.

24. Legislation regarding GHGs and climate change are subject to active consideration in the U.S. Congress. In January 2008, there were 12 pieces of climate change legislation pending in Congress. *See* Ex. 12, second page; *see also* Exs. 13 and 14. The scope of these bills run the gamut of limiting equivalents of metric tons of carbon dioxide (“CO_{2e}”) emitted from approximately 6,000 million metric tons (“mmt”) CO_{2e} to approximately 2,000 mmt CO_{2e} in 2050. Exs. 12, 13. Most of them either provide or have merely as a goal some recognition or credit for early GHG reductions or their equivalents that the anticipated regulated community implement before 2012.¹² The Lieberman-Warner Bill¹³ seems to have received the greatest amount of attention and analysis. A very brief overview of the Lieberman-Warner Bill is included on the third page of Ex. 12, and a more complete review of the bill by the Energy Information Association, a U.S. government agency, is included in Ex. 15. Another good summary of the Lieberman-Warner Bill is included in Ex. 16.

25. The U.S. Senate is currently considering legislation proposed by Senators Lieberman, Warner, and Boxer, described as a combination of the Lieberman-Warner Bill, Senator Boxer’s proposal, and several others, Ex. 17, p. 2, that would set up a cap and trade program for GHGs. *See* Ex. 18 for a schematic drawing of the provisions of the Lieberman-Warner Bill amended by the Boxer Bill. That legislation was withdrawn by the Senate

¹² Obviously, there is a big difference between a definite provision for pre-2012 credit and a mere goal to provide credit.

¹³ Often referred to in publications as “L-W.”

leadership earlier this year after failure to achieve closure, and many speculate that further action on climate change legislation in the Senate is not likely this calendar year. Ex. 17, p. 1.

However, it is notable that in 2008 for the first time GHG legislation passed through subcommittee and was voted out of the relevant committee to become a “live” bill capable of floor action. In the U.S. House of Representatives, the Energy and Commerce Committee is working on a cap and trade form of climate change legislation, and individual Members of Congress have proposed cap and trade legislation. It is uncertain whether any of those proposals will be taken up this year. Exs. 17, p. 3; 29.

26. In addition, President Bush has supported climate initiatives that would focus on technology development to eliminate growth in GHGs by 2025. In July 2008, the Group of Eight (G8) countries, which include the United States, issued a statement that they had agreed to consider and adopt a GHG reduction target of 50% by 2050. This agreement is a significant departure from prior Bush Administration policy.

27. The outcome of any of these initiatives cannot be determined at this time. However, both Presidential candidates McCain and Obama have expressed support for a GHG emissions cap and trade program. Therefore, the likelihood that some form of federal GHG legislation will become law increases under the next Presidential administration. *See* Ex. 19, pp. 248-250.

28. Additionally, various states, including Illinois, either alone or in conjunction with other states in their regions, have undertaken activities aimed at addressing GHGs.¹⁴ Ex. 20 presents several maps depicting states that have adopted or are in the process of developing state-

¹⁴ The Illinois GHG initiative was announced by the Governor well after Ameren committed to and supported the MPS at Board hearings and mere days before the Board adopted the final mercury rule, including the MPS.

level or regional-level initiatives or programs. Ex. 20, pp. 2-3; *see also* Ex. 3 at pp. 6-7; Ex. 21.¹⁵ The State of Illinois is working with surrounding states in the Midwestern GHG Reduction Accord to establish within the next 18 months GHG reduction goals that will include the electricity generation sector. There is no indication that any of these state or local initiatives will blend into whatever is eventually adopted at the federal level. Nevertheless, to the extent that states adopt such approaches and they become enforceable, Ameren must comply.

29. Further adding to the tumultuous atmosphere, apparently several USEPA Regional offices are developing GHG plans. Ex. 22.

30. The costs of compliance with GHG legislation and regulations are likely to be very great and will likely be the compliance program that dictates the economic viability of power companies. *See* Ex. 23. Ameren's financial position has already been affected by projections of the cost of carbon constraint.

The downgrade of AmerenGenco [which is comprised of Illinois power stations] reflects higher capital expenditures at this predominantly coal fired generating subsidiary, some of which are likely to be financed with additional long-term debt; [SIC] and the likelihood that the company will be negatively affected over the long-term by the implementation [of] additional environmental compliance requirements or controls on carbon emissions.

Ex. 24. Ameren's current analyses show that under some policy scenarios being considered in Congress, household costs and rates for electricity could rise significantly. The burden could fall particularly hard on electricity consumers and the Midwest economy because of the region's reliance on electricity generated by coal-fired power plants. Natural gas emits about half the amount of CO₂ that coal emits. As a result, economy-wide shifts favoring natural gas as a fuel

¹⁵ Climate Communities is apparently a lobbying group to ensure money from federal legislation for local activities and requirements.

source for electric generation also could affect nonelectric transportation, heating for Ameren's customers, and many industrial processes. Under some policy scenarios being considered by Congress, Ameren believes that wholesale natural gas costs could rise significantly as well.

31. The Pew Center for Climate Change has compiled the results of seven different GHG economic models generated by different organizations that assess impacts from GHG legislation similar to the Lieberman-Warner Bill. These models predict in general, but to differing degrees, (i) increases in power prices, (ii) reductions in energy consumption, (iii) increases in natural gas usage, (iv) decreases in coal usage, and (v) increases in coal prices. Ex. 25. Significant changes in any one of these factors would severely impact the planning of any power generation company, but expected changes in all of them make significant planning uncertainties a certainty. Higher costs for energy could contribute to reduced demand for electricity and natural gas. Future federal and state legislation or regulations that mandate limits on the emission of GHGs would result in significant increases in capital expenditures and operating costs.

32. There is currently no technology which can be applied to large coal-fired power plants to reduce or capture CO₂ on a large scale. There are a number of promising technologies under development, including "carbon capture and storage" technology, which would strip the CO₂ from the gas stream and seal it underground. However, it could be 15-20 years before any such technology becomes commercially viable. As a result, the options open to Ameren to meet any near-term CO₂ reduction goals would be to curtail or shut down coal-fired facilities or to switch to natural gas. Most of the federal and regional legislative proposals have initial CO₂ reduction targets in the 2012-2015 timeframe. Should any of these proposals become law, Ameren risks major stranded investments in SO₂ pollution control equipment associated with

meeting what is essentially an interim emission rate of 0.33 lb/mmBtu in 2013. Ameren believes it will have a much clearer understanding of the CO₂ controls facing its generating systems within the next two years. At that time, a more reasoned approach to meet the 0.25 lb/mmBtu SO₂ limit in 2015 which might avoid such stranded costs could be developed.

33. The Ameren Companies have already taken numerous actions to address global climate change issues, including the following:

- seeking partners to develop wind energy for its generation portfolio;
- participating in Department of Energy (“DOE”)-sponsored research into the feasibility of sequestering CO₂ underground in the Illinois basin, the Plains sequestration partnership, and a Missouri sequestration project to be conducted in southwest Missouri;
- increasing the operating efficiency and capacity of its nuclear and hydroelectric plants to provide more energy to offset fossil generation;
- participating in the PowerTree Carbon Company, LLC, whose purpose is to reforest acreage in the lower Mississippi Valley to sequester carbon;
- using coal combustion by-products as a direct replacement for cement, thereby reducing carbon emissions at cement kilns;
- participating in a DOE and Missouri Department of Natural Resources project evaluating Missouri wind resources for the next generation of wind turbines;
- funding a project investigating opportunities to reduce nitrous oxide (N₂O), a potent GHG, from agricultural usage and tracking those reductions;
- participating in “Illinois Clean Energy Community Foundation,” a program that supports energy efficiency, promotes renewable energy, and provides educational opportunities;
- establishing Pure Power, a voluntary renewable energy program in Missouri that allows electric customers to support development of wind farms and other renewable energy facilities in the Midwest; and
- purchasing Renewable Energy Credits; the Illinois utility arm of Ameren purchased 415,000 renewable energy credits in April 2008.

However, these actions are likely not nearly enough to address the totality of the efforts needed to comply with any future regulatory scheme to reduce GHG emissions.

34. The costs to comply with future legislation or regulations could be so expensive that Ameren and other similarly situated electric power generators may be forced to close some coal-fired facilities. Mandatory limits could have a material adverse impact on Ameren's results of operations, financial position, or liquidity.

E. AMEREN REQUIRES RELIEF FROM SECTION 225.233(e)(2)(A) TO MITIGATE THE UNCERTAINTIES THAT HAVE DEVELOPED THIS SUMMER AND TO AVOID STRANDED COSTS RESULTING FROM A CHANGING REGULATORY ENVIRONMENT.

35. The impact on Ameren of future initiatives related to GHGs and climate change is unknown. Ameren's costs of complying with any mandated federal or state GHG program could have a material impact on its future operations, financial position, or liquidity. Ameren expects at least some better level of certainty to come about within the next two years that will enable it to make the decisions necessary for it to remain economically viable in a carbon-constrained world.

36. The uncertainty surrounding potential GHG legislation and regulation and its impacts on power generators have been significantly exacerbated by the CAIR vacatur, finally causing Ameren to seek regulatory relief through this requested variance. Making capital expenditures now for environmental projects at facilities that may be curtailed or shut down in the near short term due to GHG regulation or additional regulation of criteria pollutants is not financially prudent and would divert capital expenditures that could be spent on future regulatory requirements. It is for this reason that Ameren seeks this variance. Ameren must begin the procurement process, *see par. 10 above*, for environmental capital projects necessary for compliance with the MPS SO₂ limits shortly after the beginning of calendar year 2009 in order to

have the pollution control equipment necessary for Ameren to comply with a system-wide SO₂ emission rate of 0.33 lb/mmBtu in 2013. The potential for stranded costs is extremely high and a risk that Ameren needs to avoid. Ameren believes that its ability to determine whether it is appropriate to add pollution controls to units, shut down units, or do both will become clearer within the next two years consistent with the timeline for decisions at both the federal and regional levels on GHG control requirements.

37. Section 225.233(e)(2)(A), the specific regulation from which Ameren seeks relief, provides as follows:

Beginning in calendar year 2013 and continuing in calendar year 2014, for the EGUs in each MPS Group, the owner and operator of the EGUs must comply with an overall SO₂ annual emission rate of 0.33 lbs/million Btu or a rate equivalent to 44 percent of the Base Rate of SO₂ emissions, whichever is more stringent.

35 Ill.Adm.Code § 225.233(e)(2)(A), effective December 21, 2006. (Emphasis added.) “Overall SO₂ annual emission rate” means that Ameren is to average its SO₂ emission rate over the entire MPS Group. Under the regulations, Ameren’s MPS Group consists of all EGUs it owned in Illinois as of July 1, 2006. 35 Ill.Adm.Code § 225.233(a)(3)(A). Therefore, it is appropriate and necessary that Ameren seek this variance for its system as opposed to seeking individual variances for each power station.

38. Ameren seeks relief from the requirement in Section 225.233(e)(2)(A), quoted above, that it achieve a system-wide SO₂ emission rate of 0.33 lb/mmBtu or a rate that is 44% of its baseline for the period from January 1, 2013, through December 31, 2014. Ameren has met with the Agency to discuss Ameren’s obligations under the MPS. As a result of these discussions, the parties have agreed to emission limits applicable to Ameren which result in greater reductions in emissions than those contained in the MPS. Because the parties have

agreed to emissions limits that will require a permanent change to the rule, Ameren understands it must file a proposal for rulemaking to incorporate the new changes into the MPS. The rulemaking process, however, requires more time than is available to Ameren to make Section 225.233(e)(2)(A) compliance decisions and serious investment decisions. Until the new limits become effective, Ameren seeks an immediate decision on the relief requested in this petition.

39. Ameren's current system-wide average SO₂ emission rate at its coal-fired units, based upon 2007 data, is 0.60 lb/mmBtu. This emission rate reflects operation of the control equipment listed on Table 1, attached hereto. When the FGD projects currently underway come online between now and 2015, there will be a gradual reduction of Ameren's system-wide SO₂ emission rate to 0.50 lb/mmBtu in 2010, to 0.25 lb/mmBtu by January 1, 2015 and down to 0.23 lb/mmBtu in 2017. There also will be a gradual reduction of Ameren's system-wide annual NO_x emission rate to 0.14 lb/mmBtu in 2010, down to 0.11 lb/mmBtu in 2012, and ozone season NO_x emission rate of 0.11 lb/mmBtu beginning in 2010.

40. As important as identifying the relief Ameren seeks is identifying what Ameren does not seek. Ameren does not seek a change to the requirement that it install sorbent injection on its coal-fired EGUs by July 1, 2009, for purposes of mercury removal or that it remove mercury at its units that are smaller than 90 MW by January 1, 2013, or that it meet annual and ozone season system-wide NO_x emission rates of 0.11 lb/mmBtu by January 1, 2012, or that it meet a system-wide SO₂ emission rate of 0.25 lb/mmBtu by January 2, 2015. The only relief that Ameren seeks is from the requirement that it comply with a system-wide SO₂ emission rate of 0.33 lb/mmBtu by January 1, 2013.

41. Ameren estimates it must scrub at least 70% of its generation capacity to comply with the 0.25 lb/mmBtu emission rate by January 1, 2015. It must scrub only marginally less to

comply with the 0.33 lb/mmBtu emission rate by January 1, 2013. Because Ameren is on a path to reduce SO₂ emissions between now and 2017, the environmental benefit of achieving a rate of 0.33 lb/mmBtu by 2013, compared to a rate of 0.50 lb/mmBtu in 2010, when the Coffeen and Duck Creek FGDs come online, through 2013 and reducing to 0.44 lb/mmBtu in 2014 and ultimately to 0.25 lb/mmBtu by 2015 and 0.23 lb/mmBtu by 2017, is not insignificant. The financial commitments that the 0.33 lb/mmBtu rate would require today are substantial. The associated uncertainty as to the best approach to meet the 0.33 lb/mmBtu rate is likewise substantial. Because of all of the uncertainties surrounding NO_x and SO₂ reductions coupled with anticipated but unknown climate change requirements and because the impact to the environment, if there is any at all, is not significant, Ameren faces arbitrary and unreasonable hardship if it is not granted the variance and allowed the next two years to make responsible decisions regarding the best combinations of actions to address the myriad compliance requirements that will become applicable over the next decade and to minimize stranded costs while doing so.

42. Evaluation of Ameren's fleet does not reveal any viable alternatives to installation of FGDs on units at both its Newton and E.D. Edwards plants for Ameren to comply with the 0.33 and 0.25 lb/mmBtu emission rates other than shutting down units. Shutting down units at this point in time to achieve compliance with the 0.33 lb/mmBtu SO₂ rate is unreasonable, given the other system-wide reductions that will occur prior to and during the term of the requested variance and the insignificant difference in emission rates that Ameren will achieve during the term of the variance (*i.e.*, an annual average rate of 0.50 lb/mmBtu from January 1, 2010, through December 31, 2013, and an annual average rate of 0.44 lb/mmBtu from January 1, 2014, through December 31, 2014) following installation of FGDs currently on schedule and at

Newton. Curtailing generation to levels necessary to achieve compliance with the MPS is another alternative. Either of these alternatives could cause market disruptions, unreliable service, and increased unemployment. Therefore, the alternatives that Ameren has been able to identify are not viable.

43. During the next two years, Ameren will continue to evaluate its financial position and the best combination of locations and capital equipment to comply with applicable requirements. Then it will proceed with the appropriate procurement process, including obtaining financing and permits, *see* par. 10, above, to construct and install the equipment necessary for it to meet the system-wide 0.25 lb/mmBtu SO₂ rate required for 2015. The procurement process itself will occur prior to the term of the variance. During the term of the variance, Ameren will be constructing the necessary equipment.

44. The capital cost of environmental projects at its Newton and E.D. Edwards plants associated with compliance with the MPS is estimated to be \$0.9-1.2 billion, with annual estimated operating costs of \$30-40 million. These are the costs of immediate compliance. As discussed above, the procurement process for these projects, in order for them to be operational by 2013, must begin shortly after the beginning of calendar year 2009. The procurement process itself will result in some expenditure of funds, but the major capital costs occur when Ameren actually obtains the materials and equipment necessary for the construction of the FGDs. Ameren requests the variance for the period of January 1, 2013, through December 31, 2014, but must request the variance over four years in advance because compliance activities begin now with the long lead-time necessary for the construction of FGDs.

F. ANY MINIMAL ENVIRONMENTAL IMPACT RESULTING FROM THE VARIANCE WILL BE OFFSET BY NEW EMISSION RATE COMMITMENTS MADE BY AMEREN.

45. Any minimal environmental impact resulting from the requested relief will be offset by the new and additional emission rates for SO₂ and NO_x Ameren has set forth in this Petition. Ameren does not have data that addresses the qualitative and quantitative impact of its activity on human health and the environment. However, USEPA has found that emissions from the coal-fired electric power generation sector as a whole tend to affect a large region of the country with relatively minimal impacts in the immediate vicinity of an individual plant. 70 Fed.Reg. 25162, 25245-49 (May 12, 2005). That is, Ameren's emissions contribute to the mix of regional pollutants that are transported on weather patterns and impact ozone and PM_{2.5} nonattainment areas hundreds of miles downwind. In fact, the purpose of the vacated CAIR was to address this regional impact by capping regional emissions and requiring sources to surrender an emission allowance, or, in the case of SO₂, allowances, for each ton of SO₂ and NO_x emitted.¹⁶ 70 Fed.Reg. 25162 (May 12, 2005). Such regional reductions of SO₂ and NO_x would aid states with nonattainment areas to determine the reduction plans necessary for their nonattainment areas in order for them to attain the ozone and PM_{2.5} NAAQS.

46. However, while reductions of the contributions of many power plants to regional levels of ozone and PM_{2.5} would have a beneficial impact on nonattainment areas in general, the reductions from a single plant or even a single company's system of power plants in a single state have little measurable effect on downwind areas. 64 Fed.Reg. 28250, 28279 (May 25, 1999); 63 Fed.Reg. 57356, 57375 (October 27, 1998); 62 Fed.Reg. 60318, 60326 (November 7, 1997); *Air Pollution Control Dist. of Jefferson County, Ky. v. USEPA*, 739 F.2d 1071, 1093-94

¹⁶ The fact that the CAIR was vacated does not eviscerate the relevance and efficacy of its purpose or of the general concepts, analyses, and data underlying the rule. The transport principles addressed by the CAIR are the same as those addressed by the NO_x SIP call, 63 Fed.Reg. 57356 (October 27, 1998), which has not been vacated. *See North Carolina*, 2008 WL 2698180 at 28.

(6th Cir. 1984). In other words, it takes regional reductions from the power plant sector, as opposed to reductions from a single plant or even system, to produce a significant improvement in air quality in the nonattainment areas. Moreover, the difference in the downwind impact of Ameren's SO₂ emissions at a rate of 0.50 lb/mmBtu in 2013 and then 0.44 lb/mmBtu in 2014 compared to 0.33 lb/mmBtu for the two-year period in question may not even be measurable.

47. Cross-media impacts are not an issue in this matter. The variance that Ameren seeks here does not impact the requirement that it install and operate sorbent injection systems to reduce mercury emissions. Likewise, Ameren's planned NO_x reductions will continue and have been enhanced through Ameren's agreement to incorporate a new annual NO_x emission rate of 0.14 lb/mmBtu in 2010 and 2011, and a new ozone season NO_x emission rate of 0.11 lb/mmBtu beginning in 2010, thereby resulting in NO_x emission reductions earlier than what is currently required in the MPS. Although a purpose of the Acid Rain Program is to improve water quality through the reduction of SO₂ emissions nationally, the emission rate that Ameren will achieve during the pendency of the requested variance is significantly lower than the emission rate necessary for Ameren to comply with the Acid Rain Program. The slight increase in Ameren's SO₂ emission rate during the pendency of the variance should have no significant impact on water quality. In fact, there are offsetting benefits associated with granting the requested variance. Specifically, the requested variance would have the effect of reducing Ameren's waste production, in that sludges from the FGD necessary for it to comply with the 0.33 lb/mmBtu emission rate would not be generated because the FGD would not be operational.

48. Prior to and during the pendency of the requested variance period, as indicated above, Ameren will have FGDs come online at the Coffeen and Duck Creek Power Stations that will enable the system to meet a 0.50 lb/mmBtu SO₂ emission rate by 2010. This rate will

decline to a new emission rate of 0.44 lb/mmBtu as additional FGDs are operated at Newton and E.D. Edwards and, ultimately to a new emission rate of 0.23 lb/mmBtu beginning in 2017.

Additionally, Ameren is installing scrubbers at its Sioux Power Station in Missouri, upwind of Illinois. Operation of these scrubbers, scheduled to become operational in 2010 as well, will benefit Illinois' air quality.

G. AMEREN SHALL BE SUBJECT TO THE FOLLOWING CONDITIONS FOR THE VARIANCE AND COMPLIANCE PLAN.

49. Ameren requests that the term of the variance begin on January 1, 2013. Ameren requests that the variance terminate at midnight on December 31, 2014, or upon the effective date of a rulemaking amending the MPS as that set of regulations applies to Ameren's MPS Group, whichever is sooner.

50. Ameren suggests the following conditions to apply prior to and during the term of the variance:

A. Ameren's MPS Group is not subject to the provisions of Section 225.233(e)(2)(A).

B. Ameren's MPS Group shall comply with a system-wide average ozone-season NOx emission rate of 0.11 lb/mmBtu commencing January 1, 2010 and continuing thereafter.

C. Ameren's MPS Group shall comply with a system-wide average annual NOx emission rate of 0.14 lb/mmBtu from January 1, 2010, through December 31, 2011.

D. Ameren's MPS Group shall comply with a system-wide average annual NOx emission rate of 0.11 lb/mmBtu commencing January 1, 2012, and continuing thereafter.

E. Ameren's MPS Group shall comply with a system-wide annual average SO₂ emission rate of 0.50 lb/mmBtu by January 1, 2010.

F. Ameren's MPS Group shall comply with a system-wide annual average SO₂ emission rate of 0.44 from January 1, 2014, through December 31, 2014.

G. Ameren's MPS Group shall comply with a system-wide annual average SO₂ emission rate of 0.25 lb/mmBtu commencing January 1, 2015, and continuing thereafter.

H. Ameren shall comply with a system-wide annual average SO₂ emission rate of 0.23 lb/mmBtu commencing January 1, 2017.

51. Ameren proposes the following compliance plan:

A. On or before June 1, 2012, Ameren shall notify the Agency of its anticipated compliance strategy.

B. On or before June 1, 2012, Ameren shall submit applications for construction permits for FGDs for the units to be controlled to meet the 0.25 lb/mmBtu system-wide SO₂ emission rate by January 1, 2015.

H. AMEREN'S REQUESTED VARIANCE IS NOT CONTRARY TO ANY FEDERAL LAW.

52. The Board may grant the requested variance consistent with federal law and, specifically, with the Clean Air Act, 42 U.S.C. §§ 7401 *et seq.* The MPS was submitted to USEPA for approval as part of Illinois' mercury rule. With the vacatur of the CAMR, there is no longer any authority for USEPA to approve or disapprove Illinois' mercury rule. Some of the NO_x and SO₂ reductions required by the MPS may eventually be included in Illinois' SIP that demonstrates attainment with the ozone and PM_{2.5} NAAQS. However, Ameren understands that the Agency has not relied upon the MPS in the attainment demonstration for the Metro-East ozone nonattainment area. There has been no other submittal that Ameren is aware of that would raise the MPS to the level of federal approval. Therefore, the MPS is not federally enforceable. Moreover, the reductions in question here, those resulting from an SO₂ emissions limit of 0.33 lb/mmBtu, would not occur until 2013, three years after the attainment dates for both NAAQS. Consequently, there is no federal law that requires Ameren to comply with an SO₂ emission rate of 0.33 lb/mmBtu in 2013, there is no federal approval of the MPS which would have the effect

of raising it to the level of a federal regulation, and the Board's grant of this variance request, therefore, would not be inconsistent with federal law.

I. AMEREN DOES NOT REQUEST A HEARING.

53. Ameren does not request that the Board hold a hearing in this matter. A hearing is not necessary as there are no SIP or other federal law requirements to which the emission standard is subject.

J. CERTAIN PROVISIONS OF THE BOARD'S VARIANCE PROCEDURAL RULES ARE NOT APPLICABLE TO THIS REQUEST.

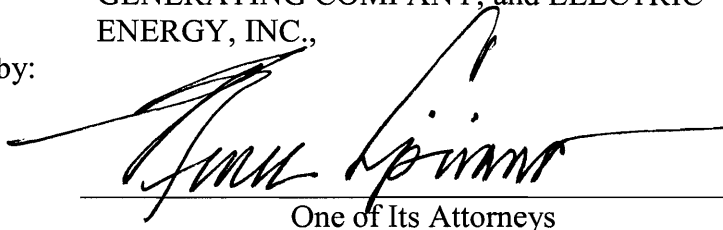
54. There is no permit that the Agency has issued that is affected by this request for variance. Section 104.206 of the Board's procedural regulations is not applicable to this request for variance. Section 104.206 specifically addresses requests for variance from the Resource Conservation and Recovery Act (RCRA). Ameren does not here seek such relief.

WHEREFORE, for the reasons set forth above, Petitioners AMEREN ENERGY GENERATING COMPANY, AMERENENERGY RESOURCES GENERATING COMPANY, and ELECTRIC ENERGY, INC., respectfully request that the Board grant Ameren a variance from the requirement that it comply with a system-wide SO₂ emission rate of 0.33 lb/mmBtu for the period from January 1, 2013, through December 31, 2014.

Respectfully submitted,

AMEREN ENERGY GENERATING
COMPANY, AMERENENERGY RESOURCES
GENERATING COMPANY, and ELECTRIC
ENERGY, INC.,

by:



One of Its Attorneys

Dated: October 1, 2008

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Table 1
Power Stations and Units Comprising the MPS Group
 (§ 104.204(b))

Address Number of Employees	Boilers and Sizes		Pollution Control Equipment ¹	SO ₂ Emissions in Rate and TPY	Permits issued, issuance dates, application numbers, and any other relevant information ²
Coffeen Power Station (I.D. No. 135803AAA)					
134 CIPS Lane Coffeen, Illinois Montgomery County 184 employees	Unit 1 nominal 3,282 mmBtu/hr (1965)	Unit 2 nominal 5,544 mmBtu/hr (1972)	OFA ³ SCR ⁴ ESP ⁵ with FGC ⁶	2007 SO ₂ emission rate = 0.75 lb/mmBtu 2007 SO ₂ mass emissions = 24,250 tons	<u>State Operating Permits:</u> February 13, 2004 App. No. 73020002 Unit 1 February 13, 2004 App. No. 73020001 Unit 2

¹ all units unless otherwise indicated

² Note that listed here are construction permit issued in or after 2005 through the present and that during this period, Ameren has been issued other construction permits for projects not pertinent to this request for variance.

³ overfire air

⁴ selective catalytic reduction

⁵ electrostatic precipitator

⁶ flue gas conditioning

Table 1

Power Stations and Units Comprising the MPS Group
(§ 104.204(b))

Address Number of Employees	Boilers and Sizes	Pollution Control Equipment ¹	SO ₂ Emissions in Rate and TPY	Permits issued, issuance dates, application numbers, and any other relevant information ²
Coffeen Power Station (I.D. No. 135803AAA)				
				<p><u>Construction Permits:</u></p> <p>December 21, 2007 App. No. 07090069 New ESP for Unit 2</p> <p>December 15, 2006; revised October. 23, 2007 App. No. 06090019 New FGD for Unit 1 and Unit 2</p> <p><u>CAAPP Permit:</u></p> <p>September 29, 2005 App. No. 95090009 Appealed November 3, 2005 (PCB 06-064) Stayed February 16, 2006</p>

Table 1

**Power Stations and Units Comprising the MPS Group
(§ 104.204(b))**

Address Number of Employees	Boilers and Sizes	Pollution Control Equipment ¹	SO ₂ Emissions in Rate and TPY	Permits issued, issuance dates, application numbers, and any other relevant information ²
Duck Creek (I.D. No. 057801AAA)				
17751 North CILCO Road Canton, Illinois Fulton County 72 employees	Unit 1 Nominal 3,713 mmBtu/hr (1976)	LNB ⁷ SCR ESP FGD ⁸	2007 SO ₂ emission rate = 0.20 lb/mmBtu 2007 SO ₂ mass emissions = 548 tons Note that unit utilization was limited in 2007 due to extended unit outage.	<u>State Operating Permit:</u> November 13, 1995 App. No. 78020006 <u>Construction Permits:</u> November 22, 2006; revised May 23, 2008 App. No. 06070049 WFGD ⁹ system February 16, 2007 App. No. 06070048 Boiler project; New ESP

⁷ low NOx burner

⁸ flue gas desulfurization (scrubber)

⁹ wet FGD

Table 1

**Power Stations and Units Comprising the MPS Group
(§ 104.204(b))**

Address Number of Employees	Boilers and Sizes	Pollution Control Equipment ¹	SO ₂ Emissions in Rate and TPY	Permits issued, issuance dates, application numbers, and any other relevant information ²
Duck Creek (I.D. No. 057801AAA)				
				May 7, 2007; revised. January 31, 2008 App. No. 07030025 Pilot Air Quality Control System <u>CAAPP Permit:</u> September 29, 2005 App. No. 95070025 Appealed November 3, 2005 (PCB 06-066) Stayed February 16, 2006

Electronic Filing - Received, Clerk's Office, October 1, 2008

* * * * * **PCB 2009-021** * * * * *

Table 1

Power Stations and Units Comprising the MPS Group
 (§ 104.204(b))

Address Number of Employees	Boilers and Sizes			Pollution Control Equipment ¹	SO ₂ Emissions in Rate and TPY	Permits issued, issuance dates, application numbers, and any other relevant information ²
E.D. Edwards Power Station (I.D. No. 143805AAG)						
7800 South CILCO Lane Bartonville, Illinois Peoria County 134 employees	Unit 1 nominal 1,523 mmBtu/hr (1960)	Unit 2 nominal 3,321 mmBtu/hr (1968)	Unit 3 nominal 4,594 mmBtu/hr (1972)	LNB ESP with FGC New LNB and OFA on Unit 3	2007 SO ₂ emission rate = 0.50 lb/mmBtu 2007 SO ₂ mass emissions = 14,536 tons	<p><u>State Operating Permit:</u></p> <p>July 1, 2004 App. No. 73010724</p> <p><u>Construction Permits:</u></p> <p>March 9, 2007 App. No. 07030026 LNB and OFA for Unit 3</p> <p>August 24, 2008 App. No. 08080029 LNB and OFA for Unit 3</p> <p><u>CAAPP Permit:</u></p> <p>September 29, 2005 App. No. 95070026 Appealed November 3, 2005 (PCB 06-067) Stayed February 16, 2006</p>

Table I

Power Stations and Units Comprising the MPS Group

(§ 104.204(b))

Address Number of Employees	Boilers and Sizes		Pollution Control Equipment ¹	SO ₂ Emissions in Rate and TPY	Permits issued, issuance dates, application numbers, and any other relevant information ²
Hutsonville Power Station (I.D. No. 033801AAA)					
15142 East 1900 th Ave. Hutsonville, Illinois Crawford County 57 employees	Unit 5 nominal 695 mmBtu/hr (1952)	Unit 6 nominal 695 mmBtu/hr (1953)	ESP	2007 SO ₂ emission rate = 0.54 lb/mmBtu 2007 SO ₂ mass emissions = 2,953 tons	<u>State Operating Permit:</u> February 17, 2005 App. No. 73020017 Unit 5 February 17, 2005 App. No. 73020018 Unit 6 <u>Construction Permits:</u> May 14, 2006 App. No. 06040014 Pilot Evaluation of Fuel Additives for SO ₂ and mercury control April 3, 2008 App. No. 08030017 Pilot Evaluation of Water Injection for PM Control on Unit 5

Table 1

Power Stations and Units Comprising the MPS Group
(§ 104.204(b))

Address Number of Employees	Boilers and Sizes	Pollution Control Equipment ¹	SO ₂ Emissions in Rate and TPY	Permits issued, issuance dates, application numbers, and any other relevant information ²
Hutsonville Power Station (I.D. No. 033801AAA)				
				August 18, 2008 App. No. 08080015 Pilot OFA Evaluation for Units 5 and 6 <u>CAAPP Permit:</u> September 29, 2005 App. No. 95080105 Appealed November 3, 2005 (PCB 06-070) Stayed February 16, 2006

Table 1

Power Stations and Units Comprising the MPS Group
(§ 104.204(b))

Address Number of Employees	Boilers and Sizes	Pollution Control Equipment ¹	SO ₂ Emissions in Rate and TPY	Permits issued, issuance dates, application numbers, and any other relevant information ²
Joppa (I.D. No. 127855AAC)				
2100 Portland Road Joppa, Illinois Massac County 260 employees	Units 1-6 nominal 1,800 mmBtu/hr each (Units 1 and 2 1953) (Units 3 and 4 1954) (Units 5 and 6 1955)	ESP OFA on Units 1, 3, 5 and 6	2007 SO ₂ emission rate = 0.59 lb/mmBtu 2007 SO ₂ mass emissions = 26,283 tons	<u>State Operating Permit:</u> June 7, 2005 App. No. 73010757 <u>Construction Permits:</u> March 3, 2005 App. No. 05020008 OFA system for Unit 6 December 5, 2005 App. No. 05020011 OFA system for Unit 5 November 30, 2006 App. No. 0600057 OFA system for Unit 3 October 24, 2007 App. No. 07090035 OFA system for Unit 1

Table 1

Power Stations and Units Comprising the MPS Group
(§ 104.204(b))

Address Number of Employees	Boilers and Sizes	Pollution Control Equipment ¹	SO ₂ Emissions in Rate and TPY	Permits issued, issuance dates, application numbers, and any other relevant information ²
Joppa (I.D. No. 127855AAC)				
				March 31, 2006 App. No. 06020085 Pilot for Mercury Control July 18, 2008 App. No. 08020070 Sorbent Injection System <u>CAAPP Permit:</u> September 29, 2005 App. No. 95090120 Appealed November 3, 2005 (PCB 06-065) Stayed February 16, 2006

Table 1

Power Stations and Units Comprising the MPS Group
(§ 104.204(b))

Address Number of Employees	Boilers and Sizes			Pollution Control Equipment ¹	SO ₂ Emissions in Rate and TPY	Permits issued, issuance dates, application numbers, and any other relevant information ²
Meredosia Power Station (I.D. No. 137805AAA)						
800 South Washington Street Meredosia, Illinois Morgan County 106 employees	Units 1 and 2 nominal 505 mmBtu/hr each (1945)	Units 3 and 4 nominal 505 mmBtu/hr each (1946)	Unit 5 nominal 2,784 mmBtu/hr (1957)	ESP FGC on Units 1 - 4 LNB and FGC on Unit 5	2007 SO ₂ emission rate = 1.09 lb/mmBtu 2007 SO ₂ mass emissions = 11,383 tons	<u>State Operating Permits:</u> May 22, 1996 App. No. 73020005 Unit 1 May 22, 1996 App. No. 73020009 Unit 2 May 22, 1996 App. No. 73020008 Unit 3 May 22, 1996 App. No. 73020006 Unit 4 July 23, 2003 App. No. 73020007 Unit 5

Table 1

Power Stations and Units Comprising the MPS Group
 (§ 104.204(b))

Address Number of Employees	Boilers and Sizes			Pollution Control Equipment ¹	SO ₂ Emissions in Rate and TPY	Permits issued, issuance dates, application numbers, and any other relevant information ²
Meredosia Power Station (I.D. No. 137805AAA)						
						<p><u>Construction Permits:</u></p> <p>July 17, 2008 App. No. 08050025 Sorbent Activation Process Demonstration Project</p> <p>February 15, 2007 App. No. 06120072 FGC System for Units 1, 2, 3 and 4</p> <p><u>CAAPP Permit:</u></p> <p>September 29, 2005 App. No. 95090010 Appealed November 3, 2005 (PCB 06-069) Stayed February 16, 2006</p>

Table 1

Power Stations and Units Comprising the MPS Group
(§ 104.204(b))

Address Number of Employees	Boilers and Sizes		Pollution Control Equipment ¹	SO ₂ Emissions in Rate and TPY	Permits issued, issuance dates, application numbers, and any other relevant information ²
Newton Power Station (I.D. No. 079808AAA)					
6725 North 500 th Street Newton, Illinois Jasper County 171 employees	Unit 1 nominal 5,500 mmBtu/hr (1972)	Unit 2 nominal 5,500 mmBtu/hr (1975)	LNB OFA ESP with FGC Primary Air Duct Burners on Unit 2	2007 SO ₂ emission rate = 0.51 lb/mmBtu 2007 SO ₂ mass emissions = 23,497 tons	<u>State Operating Permits:</u> July 30, 1998 App. No. 78080036 Unit 1 June 29, 2001 App. No. 83020010 Unit 2 <u>Construction Permits:</u> July 11, 2008 App. No. 08010049 Sorbent Injection System <u>CAAPP Permit:</u> September 29, 2005 App. No. 95090066 Appealed November 3, 2005 (PCB 06-068) Stayed February 16, 2006

STATE OF MISSOURI)
) SS
ST. LOUIS CITY)

AFFIDAVIT OF MICHAEL L. MENNE

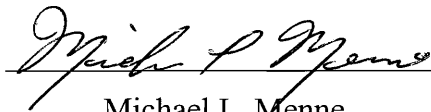
I, MICHAEL L. MENNE, having first been duly sworn, state as follows:

1. I am an employee of AMEREN ENERGY GENERATING COMPANY, AmerenENERGY RESOURCES GENERATING COMPANY, and ELECTRIC ENERGY, INC. (collectively "Ameren"), as Vice President of Environmental Services, Ameren Services Company, as authorized agent for Ameren, and as such have knowledge of the operations and environmental matters connected with Ameren.

2. I have read the preceding Petition for Variance.

3. The statements of facts contained therein are true and correct to the best of my knowledge and belief.

FURTHER, AFFIANT SAYETH NOT.



Michael L. Menne

Subscribed and sworn to before me this 1st day of October, 2008.



NOTARY PUBLIC

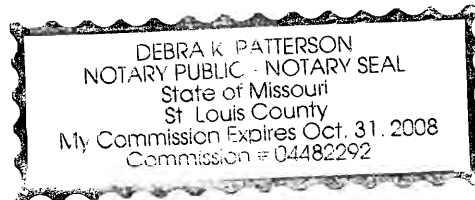


EXHIBIT LIST

- Exhibit 1: Illinois Environmental Protection Agency, *Illinois Annual Air Quality Report 2006*, p. 34 with Ameren Power Stations and the names of the counties in which the power stations are located superimposed (December 2007) < www.epa.state.il.us/air/air-quality-report/2006/index.html >.
- Exhibit 2: Ameren, Letter to Jim Ross, Manager, Division of Air Pollution Control, Illinois Environmental Protection Agency (December 27, 2007).
- Exhibit 3: *Black & Veatch Pathfinder* (August 2008).
- Exhibit 4: Respondent EPA's Motion to Extend Time to File Petitions for Rehearing or Rehearing *En Banc*, *State of North Carolina, et al. v. United States Environmental Protection Agency*, No. 05-1244 (and consolidated cases) (August 8, 2008); Order, *State of North Carolina v. Environmental Protection Agency*, No. 05-1244 (August 15, 2008).
- Exhibit 5: Various Senators, Letter to Tom Kuhn, President, Edison Electric Institute (August 12, 2008).
- Exhibit 6: Dawn Reeves and Jenny Johnson, "White House Seeks Full CAIR Codification Despite Focus on Narrow Fix," *InsideEPA* (August 13, 2008), < www.insideepa.com/secure/docnum.asp?docnum=8132008_narrow&f=epa_2001.ask >.
- Exhibit 7: Jenny Johnson, "Following CAIR Vacatur, States Eye Strict Model Rule for Air Quality Plans," *InsideEPA* (August 8, 2008).
- Exhibit 8: Illinois Environmental Protection Agency, *Illinois Annual Air Quality Report 2006*, Table B2, pp. 47-48 (December 2007), < www.epa.state.il.us/air/air-quality-report/2006/index.html >.
- Exhibit 9: Environmental Commissioners of Connecticut, Delaware, the District of Columbia, Illinois, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, and Wisconsin, Letter to Robert J. Meyers, Principal Deputy Assistant Administrator, Office of Air and Radiation, USEPA (June 11, 2008).
- Exhibit 10: USEPA Region 5, Letter to Governor Rod Blagojevich (August 18, 2008).
- Exhibit 11: USEPA, Attachment to Exhibit 10, Letter to Governor Blagojevich (August 18, 2008).
- Exhibit 12: Lorraine Howerton, Baker Botts LLP, "Federal Legislation: What's on the Horizon?" PowerPoint Presentation at Carbon and Climate Change Seminar (April 24, 2008).

- Exhibit 13: Pew Center on Global Climate Change, "Economy-wide Cap-and-Trade Proposals in the 110th Congress: Includes Legislation Introduced as of May 30, 2008," < www.pewclimate.org/docUploads/Cap-and-Trade-Chart.pdf >.
- Exhibit 14: Pew Center on Global Climate Change, "110th Congress Index of Proposals," (January 3, 2008) < www.pewclimate.org/print/4028 >.
- Exhibit 15: Howard Gruenspecht, Deputy Administrator, Energy Information Administration, "EIA Analysis of the L-W Climate Security Act of 2007," PowerPoint Presentation to the Edison Electric Institute (May 7, 2008).
- Exhibit 16: Vicki Arroyo, Director of Policy Analysis, Pew Center on Global Climate Change, "Primer on Lieberman-Warner Climate Security act (S. 2191) – as Reported out of Senate EPW Committee," PowerPoint Presentation (May 2008), < www.pewclimate.org/docUploads/Arroyo-PPT.pdf >.
- Exhibit 17: Darren Samuelsohn, "On Climate Legislation, It Looks Like 'Wait Until Next Year,'" *Yale Environment 360* (June 3, 2008) < www.e360.yale.edu/content/print.msp?id=2009 >.
- Exhibit 18: "Lieberman-Warner Bill, Boxer Amendment (S. 3036)," < www.uschamber.com/issues/index/environment/080603climatechange.htm >.
- Exhibit 19: Hari M. Osofsky, "Climate Change Legislation in Context," *Northwestern University Law Review Colloquy*, 102 (2008): 245-252 < www.law.northwestern.edu/lawreview/colloquy/2008/9/ >.
- Exhibit 20: Melinda E. Taylor, University of Texas School of Law, "Building Momentum for National Legislation: Action by the States and Federal Agencies Since 2001," PowerPoint Presentation at Carbon and Climate Change Seminar (April 24, 2008).
- Exhibit 21: Climate Communities, "Climate Action from the Ground Up: Agenda for Federal Action," < www.climatecommunities.us >.
- Exhibit 22: Anthony Lacey, "EPA Regions Draft Internal GHG Plans to Prepare for Climate Rules," *InsideEPA* (August 19, 2008), < www.insideepa.com/secure/docnum.asp?docnum=8192008_ghgplans&=epa_2001.ask >.
- Exhibit 23: Janet Peace, Director of Markets and Business Strategies, Senior Economist, Pew Center on Global Climate Change, "Insights from Modeling Analyses of the Lieberman-Warner Climate Security Act (S. 2191)," PowerPoint presentation (May 2008), < www.pewclimate.org/docUploads/Peace-PPT.pdf >.
- Exhibit 24: Moody's Investor Service, "Rating Action: Ameren Corporation" (August 13, 2008).

Exhibit 25: Pew Center on Global Climate Change, "Insights from Modeling Analyses of the Lieberman-Warner Climate Security Act (S. 2191)" (May 2008).

Exhibit 26: "Seeking CAIR Consensus," *InsideEPA.com* (August 22, 2008), < www.insideepa.com/secure/docnum.asp?docnum=8222008_blogcair&f=epa_2001.ask >.

Exhibit 27: Andrew Childers, "Air Pollution: White House, Congressmen Offer Alternatives to Interstate Rule Vacated by Appeals Court," *Daily Environment Report* (August 25, 2008), BNA, Inc., < www.pubs.bna.com/ip/bna/DEN.NSF/eh/a06b6z2c861 >.

Exhibit 28: Christine Tezak and K. Whitney Stanco, "CAIR Update – Odd Bedfellows," editorial, *Washington Electricity/Environmental Bulletin* (August 25, 2008), Stanford Group Company, < www.standordinstitutional.com >.

Exhibit 29: Dean Scott, "Climate Change: With End of Congressional Session in Sight, House Unlikely to Act on Capping Emissions," *Daily Environment Report* (September 10, 2008), BNA, Inc., < www.pubs.bna.com/ip/bna/DEN.NSF/eh/a0b7b0p1t3 >.

Exhibit 1

**Map Depicting Ameren's Power Stations
and Agency Air Quality Monitoring Stations**

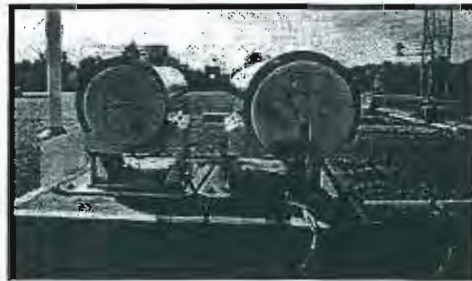
Illinois Environmental Protection Agency, *Illinois Annual Air Quality Report 2006*, p. 34 with Ameren Power Stations and the names of the counties in which the power stations are located superimposed (December 2007) < www.epa.state.il.us/air/air-quality-report/2006/index.html >.

State of Illinois
Rod R. Blagojevich, Governor

Illinois Environmental Protection Agency
Douglas P. Scott, Director



Illinois Annual Air Quality Report 2006



Statewide Map of Air Monitoring Locations

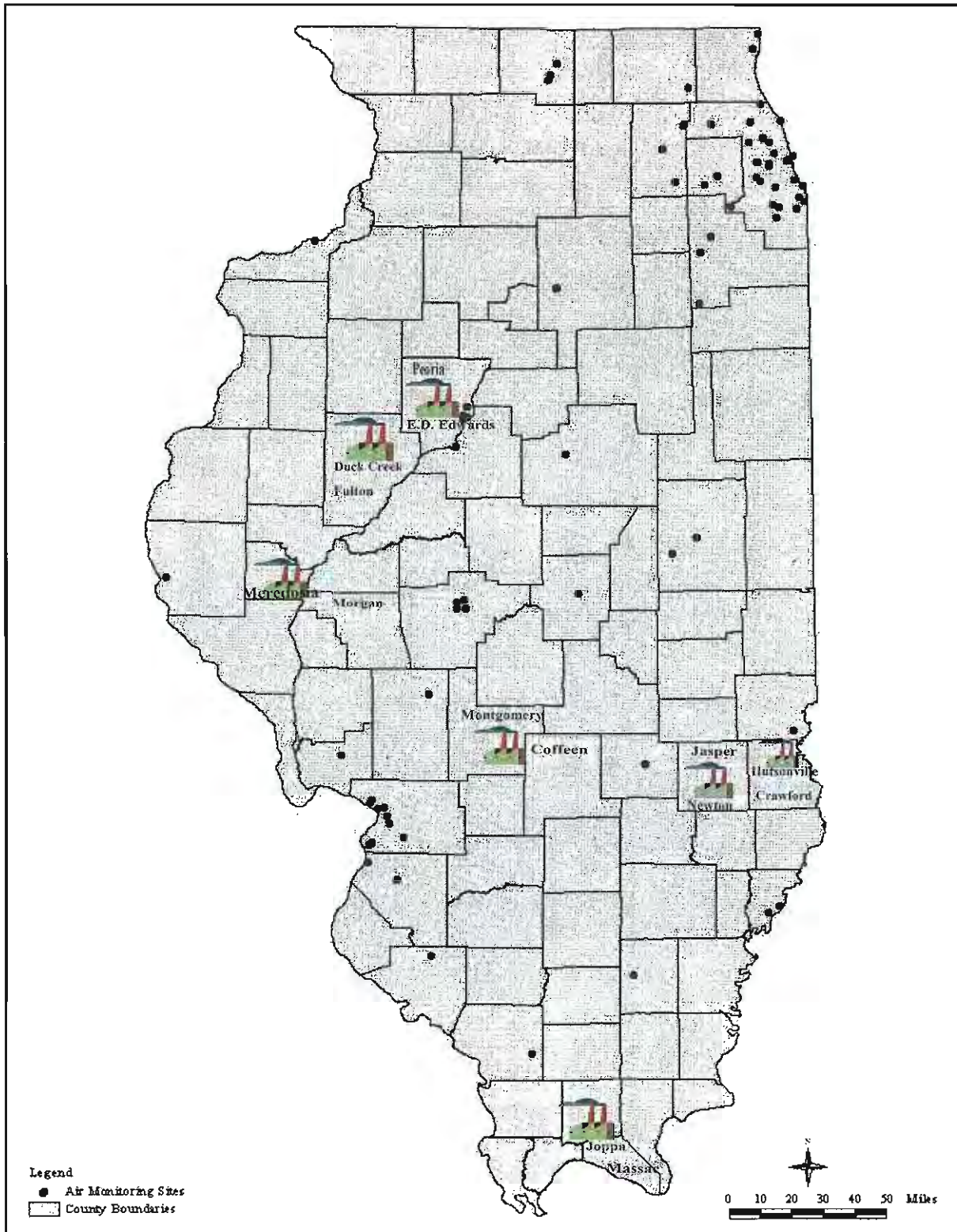


Exhibit 2

Ameren's Opt-in to the MPS

Ameren, Letter to Jim Ross, Manager, Division of Air Pollution Control, Illinois Environmental Protection Agency (December 27, 2007).

Ameren Energy Resources

R. Alan Kelley

President & Chief Executive Officer

One Ameren Plaza
1901 Chouteau Avenue
PO Box 66149, MC 10
St. Louis, MO 63166-6149
314.554.2849
314.554.3066 fax
rakelley@ameren.com

December 27, 2007

Mr. Jim Ross, Manager
Division of Air Pollution Control
Bureau of Air
Illinois Environmental Protection Agency
1021 North Grand Avenue East
P. O. Box 19726
Springfield, IL 62794-9276

RE: Illinois Mercury Rule Multi-Pollutant Standard - Notice of Intent

Dear Mr. Ross:

In accordance with 35 Illinois Administrative Code Part 225 Subpart B Section 225.233 (b), Ameren Energy Resources, as authorized agent for Ameren Energy Generating Company, AmerenEnergy Resources Generating Company and Electric Energy Inc., submits this notice of intent that the owners of the following eligible electric generating units elect to demonstrate compliance with the multi-pollutant emission limitation as an alternative to the emission standards of Section 225.230. This notice of intent is submitted for the following emission units that are eligible electric generating units (EGUs):

Ameren Energy Generating Company

Facility	Facility I. D.	Emission Unit
Coffeen	135803AAA	01
Coffeen	135803AAA	02
Hutsonville	033801AAA	05
Hutsonville	033801AAA	06
Meredosia	137805AAA	01
Meredosia	137805AAA	02
Meredosia	137805AAA	03
Meredosia	137805AAA	04
Meredosia	137805AAA	05
Newton	079808AAA	1
Newton	079808AAA	2

AmerenEnergy Resources Generating Company

Facility	Facility I. D.	Emission Unit
Duck Creek	057801AAA	1
E. D. Edwards	143805AAG	1
E. D. Edwards	143805AAG	2
E. D. Edwards	143805AAG	3



Electric Energy, Inc.

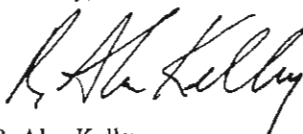
Facility	Facility I. D.	Emission Unit
Joppa	127855AAC	1
Joppa	127855AAC	2
Joppa	127855AAC	3
Joppa	127855AAC	4
Joppa	127855AAC	5
Joppa	127855AAC	6

The electric generating units (EGUs) identified above are eligible to participate as an Multi-Pollutant Standard Group for the purpose of demonstrating compliance with the requirements of 35 Illinois Administrative Code Part 225 Subpart B Section 225.233. This notice of intent includes the following components as attachments to this submittal: the base emission rates for the EGUs and supporting data; a summary of current pollution control equipment installed; and a summary of additional pollution control equipment that will likely be installed to comply with the MPS.

The EGUs identified in this notice of intent have commenced commercial operation on or before December 31, 2004 and constitute all affected EGUs that were owned by the listed affiliates as of July 1, 2006.

I am authorized to make this submission on behalf of the owners and operators of the affected units for which this submission is made. Please contact Steven Whitworth at (314) 554 - 4908 if you have any questions concerning this submittal or if additional information is required.

Sincerely,



R. Alan Kelley
President, Ameren Energy Generating Company
President, AmerenEnergy Resources Generating Company
Director and Chairman, Electric Energy, Inc.

SCW/AEGAERGEEI_MPSnotice

Attachments

**Ameren Energy Resources Company
Multi-Pollutant Standard Notice of Intent
Attachment A
Summary of Existing Pollution Control Equipment**

Ameren Energy Generating Company

Facility	Facility I. D.	Emission Unit	Particulate Control	NOx Control	SO2 Control
Coffeen	135803AAA	01	ESP	OFA/SCR	
Coffeen	135803AAA	02	ESP	OFA/SCR	
Hutsonville	033801AAA	05	ESP		
Hutsonville	033801AAA	06	ESP		
Meredosia	137805AAA	01	ESP		
Meredosia	137805AAA	02	ESP		
Meredosia	137805AAA	03	ESP		
Meredosia	137805AAA	04	ESP		
Meredosia	137805AAA	05	ESP	LNB	
Newton	079808AAA	1	ESP	OFA/LNB	
Newton	079808AAA	2	ESP	OFA/LNB	

AmerenEnergy Resources Generating Company

Facility	Facility I. D.	Emission Unit	Particulate Control	NOx Control	SO2 Control
Duck Creek	057801AAA	1	ESP	LNB/SCR	FGD
E. D. Edwards	143805AAG	1	ESP	LNB	
E. D. Edwards	143805AAG	2	ESP	LNB	
E. D. Edwards	143805AAG	3	ESP	OFA/LNB/SCR	

Electric Energy, Inc.

Facility	Facility I. D.	Emission Unit	Particulate Control	NOx Control	SO2 Control
Joppa	127855AAC	1	ESP	LNB	
Joppa	127855AAC	2	ESP	LNB	
Joppa	127855AAC	3	ESP	LNB	
Joppa	127855AAC	4	ESP	LNB	
Joppa	127855AAC	5	ESP	OFA/LNB	
Joppa	127855AAC	6	ESP	OFA/LNB	

**Ameren Energy Resources Company
Multi-Pollutant Standard Notice of Intent
Attachment B
Base Emission Rate Determination**

Ameren MPS Base Annual Emission Rate Determination

2003 Company	Heat Input (mmBtu)	NOx Rate (#/mmBtu)	NOx (tons)	SO2 Rate (#/mmBtu)	SO2 (tons)
AEGC	158,452,698	0.259	20,527	1.14	90,117
AERGC	63,611,097	0.368	11,690	2.06	65,440
EEI	89,504,514	0.129	5,771	0.54	24,026
AER Illinois	311,568,309	0.244	37,988	1.15	179,583

2004 Company	Heat Input (mmBtu)	NOx Rate (#/mmBtu)	NOx (tons)	SO2 Rate (#/mmBtu)	SO2 (tons)
AEGC	171,427,867	0.249	20,710	1.06	90,532
AERGC	70,737,248	0.309	10,897	1.47	52,058
EEI	92,482,478	0.127	5,860	0.61	28,048
AER Illinois	334,647,593	0.224	37,467	1.02	170,638

2005 Company	Heat Input (mmBtu)	NOx Rate (#/mmBtu)	NOx (tons)	SO2 Rate (#/mmBtu)	SO2 (tons)
AEGC	160,864,003	0.253	18,494	1.04	83,905
AERGC	65,569,490	0.267	8,619	1.22	39,999
EEI	86,505,712	0.128	5,524	0.60	25,963
AER Illinois	312,939,205	0.235	32,637	1.01	149,867

Annual Average Company	Heat Input (mmBtu)	NOx Rate (#/mmBtu)	NOx (tons)	SO2 Rate (#/mmBtu)	SO2 (tons)
AEGC	163,581,523	0.243	19,910	1.08	88,185
AERGC	66,639,278	0.312	10,402	1.58	52,499
EEI	89,497,568	0.128	5,718	0.58	26,012
AER Illinois	319,718,369	0.225	36,031	1.04	166,696

MPS Rates	% of base rate	% of base rate
NOx at 0.11 or 52% of base rate in 2012	0.117	
SO2 at 0.33 or 44% of base rate in 2013		0.46
SO2 at 0.25 or 35% of base rate in 2015		0.36

Ameren MPS Base Seasonal NOx Emission Rate Determination

2003 Company	Heat Input (mmBtu)	NOx Rate (#/mmBtu)	NOx (tons)
AEGC	71,819,229	0.159	5,706
AERGC	26,917,427	0.255	3,427
EI	37,416,091	0.126	2,359
AER Illinois	136,152,747	0.169	11,492

2004 Company	Heat Input (mmBtu)	NOx Rate (#/mmBtu)	NOx (tons)
AEGC	72,205,935	0.153	5,508
AERGC	30,512,335	0.180	2,750
EI	30,951,063	0.126	1,956
AER Illinois	133,669,333	0.153	10,214

2005 Company	Heat Input (mmBtu)	NOx Rate (#/mmBtu)	NOx (tons)
AEGC	77,068,042	0.146	5,614
AERGC	28,277,603	0.170	2,397
EI	37,004,541	0.126	2,328
AER Illinois	142,350,186	0.147	10,339

Seasonal Average Company	Heat Input (mmBtu)	NOx Rate (#/mmBtu)	NOx (tons)
AEGC	73,697,735	0.152	5,609
AERGC	28,569,121	0.200	2,858
EI	35,123,898	0.126	2,214
AER Illinois	137,390,755	0.155	10,682

MPS Rates	% of base rate
NOx at 0.11 or 80% of base rate in 2012	0.124

**Ameren Energy Resources Company
Multi-Pollutant Standard Notice of Intent
Attachment C
Summary of Likely Future Pollution Control Equipment**

Ameren Energy Generating Company

Facility	Facility I. D.	Emission Unit	Mercury Control	NOx Control	SO2 Control
Coffeen	135803AAA	01	SCR/FGD	OFA/SCR	FGD
Coffeen	135803AAA	02	SCR/FGD	OFA/SCR	FGD
Hutsonville	033801AAA	05	ACI (2013)	OFA/LNB	
Hutsonville	033801AAA	06	ACI (2013)	OFA/LNB	
Meredosia	137805AAA	01	ACI (2013)		
Meredosia	137805AAA	02	ACI (2013)		
Meredosia	137805AAA	03	ACI (2013)		
Meredosia	137805AAA	04	ACI (2013)		
Meredosia	137805AAA	05	ACI (2009)	OFA/LNB	
Newton	079808AAA	1	ACI (2009)	OFA/LNB/SCR	FGD
Newton	079808AAA	2	ACI (2009)	OFA/LNB/SCR	FGD

AmerenEnergy Resources Generating Company

Facility	Facility I. D.	Emission Unit	Mercury Control	NOx Control	SO2 Control
Duck Creek	057801AAA	1	SCR/FGD	LNB/SCR	FGD
E. D. Edwards	143805AAG	1	ACI (2009)	OFA/LNB	
E. D. Edwards	143805AAG	2	ACI (2009)	OFA/LNB	
E. D. Edwards	143805AAG	3	ACI (2009)	OFA/LNB/SCR	FGD

Electric Energy, Inc.

Facility	Facility I. D.	Emission Unit	Mercury Control	NOx Control	SO2 Control
Joppa	127855AAC	1	ACI (2009)	OFA/LNB	FGD
Joppa	127855AAC	2	ACI (2009)	OFA/LNB	FGD
Joppa	127855AAC	3	ACI (2009)	OFA/LNB	
Joppa	127855AAC	4	ACI (2009)	OFA/LNB	
Joppa	127855AAC	5	ACI (2009)	OFA/LNB	FGD
Joppa	127855AAC	6	ACI (2009)	OFA/LNB	FGD