

ILLINOIS POLLUTION CONTROL BOARD  
December 24, 2012

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STATE OF ILLINOIS  
Pollution Control Board

MIDWEST GENERATION, LLC, )  
)  
Petitioner, )  
)  
v. ) PCB 13-24  
) (Variance - Air)  
ILLINOIS ENVIRONMENTAL )  
PROTECTON AGENCY, )  
)  
Respondent. )

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**HEARING OFFICER ORDER**

By order of December 20, 2012, the Board accepted this variance petition for hearing without ruling upon the petition's sufficiency. The Board added that "[b]efore hearing, the Board or its hearing officer may issue one or more orders seeking additional information from Midwest Generation." Midwest Generation, LLC v. IEPA, PCB 13-24, slip op. at 3 (Dec. 20, 2012). To that end, petitioner is directed to respond to the attached questions. Petitioner's responses must be filed by 4:30 p.m., Friday, January 18, 2013. As the "mailbox rule" (35 Ill. Adm. Code 101.300(b)(2)) does not apply to this filing, the Clerk must receive petitioner's responses by the deadline.

IT IS SO ORDERED.



Bradley P. Halloran  
Hearing Officer  
Illinois Pollution Control Board  
James R. Thompson Center, Suite 11-500  
100 W. Randolph Street  
Chicago, Illinois 60601  
312.814.8917

**PCB 13-24**  
**QUESTIONS FOR PETITIONER**

**35 Ill. Adm. Code 104.204(f) Compliance Plan**

1. Midwest Generation's petition on pages 52-54 contains the proposed variance compliance plan, which includes milestones for emission rates, mass emissions, annual emissions reporting, completion of the Waukegan Unit 8 FGD (or shut down), and compliance with 35 Ill. Adm. Code 225.295(b).

Although not explicitly a part of the proposed compliance plan, the petition states that Midwest Generation "currently plans to spend approximately \$230 million on SO<sub>2</sub> emission controls and related PM controls in 2013 and 2014, including for Trona system installations at Powerton Unit 6 and Waukegan Unit 7." Pet. at 3.

The petition later claims that "to comply with the 2015 and 2016 CPS SO<sub>2</sub> system-wide rates and the CPS requirement to install flue gas desulfurization (FGD) equipment on Waukegan Unit 8 by the end of 2014, Midwest Generation would be required to spend an estimated additional \$210 million in 2013 and 2014." Pet at 3-4. The petition goes on to state that "[c]onsequently, [Midwest Generation] seeks this variance so that it could defer approximately \$210 million of that \$440 million of work to 2015 or later." Pet. at 7-8.

Midwest Generation explains that in addition to Trona system installations at Powerton Unit 6 and Waukegan Unit 7 and installation of FGD on Waukegan Unit 8, the work would include "Trona injection and related ESP upgrades . . . necessary at additional units to achieve the 2015 and 2016 CPS SO<sub>2</sub> rates." Pet. at 25-26.

- (a) Please include more specific information in the compliance plan on the activities involved in implementing the SO<sub>2</sub> emission controls and related PM controls, including types of equipment to be installed/upgraded or other methods of control to be undertaken. Please specify which activities would occur at which units.
- (b) Please include in the compliance plan a time schedule for implementing all phases of the compliance plan, from initiation of design to program completion. Although the proposed compliance plan includes milestones for emission rates and mass emission targets, please also include a time schedule for the various phases of the Trona system installations and related PM controls by unit, such as engineering, construction activities, start-up, and any other significant phases.
- (c) The petition states Midwest Generation will spend \$230 million in 2013 and 2014 and would defer \$210 million to 2015 or later under the proposed variance. Please indicate the estimated costs involved for each phase as it relates to the compliance plan. Also, please indicate how the current \$210 estimate might change (increase or decrease) if deferred.

**35 Ill. Adm. Code 104.204(g)(1) Nature and Amount of Emissions**

2. Table 5.1 of Exhibit 5 to the petition states that information is “[b]ased on average 2008-2011 heat input for the units legally permitted to operate in 2013-2016.” Please identify those units.
3. Exhibit 9 and Table 4.7 on page 33 of Exhibit 6 show the base year heat input (mmBTU) and SO<sub>2</sub> emissions (lbs/mmBTU and tons/year) by station and unit. For the period 2013-2016, Table 5.1 of Exhibit 5 compares SO<sub>2</sub> emissions under the CPS and the proposed variance, while page 45 of the petition lists emission reductions of other pollutants (NO<sub>x</sub>, PM, Mercury, and CO<sub>2</sub>).
  - (a) Please provide a comprehensive table broken down by station, unit, and year reflecting the base year heat input (1000 mmBTU/year) and SO<sub>2</sub> emissions (lbs/mmBTU, tons/year); the emissions under the CPS for SO<sub>2</sub>, NO<sub>x</sub>, PM, Mercury, and CO<sub>2</sub> (tons/year); the emissions under the proposed variance for SO<sub>2</sub>, NO<sub>x</sub>, PM, Mercury, and CO<sub>2</sub> (tons/year); the proposed reduction (tons/year); and the proposed cumulative reduction (tons/year).
  - (b) Please provide supporting equations and calculations used to arrive at the SO<sub>2</sub> emissions (lbs/mmBTU, tons/year) under the base year, CPS, and proposed variance that are presented in the requested table.

**35 Ill. Adm. Code 104.204(g)(2) Human Health and Environmental Impact**

4. Please comment on the human health and environmental impact of SO<sub>2</sub> emissions in general.
5. Please comment on the human health and environmental impact of the SO<sub>2</sub> emissions that would result from granting the proposed variance during the times when the SO<sub>2</sub> emission rate (lb/mmBTU) or mass (tons/year) would be higher than that provided for in 35 Ill. Adm. Code 225.295(b) as well as PCB 12-121 Conditions 1(a) and 3.

**35 Ill. Adm. Code 104.204(g)(3) Minimizing Impact during Variance**

6. The petition states that Midwest Generation “anticipates that the use of the Trona system at Powerton Unit 6 together with ultra-low sulfur coal throughout its coal-fired units will be sufficient for it to meet the CPS SO<sub>2</sub> system-wide rates in 2013 and 2014.” Pet. at 25. In addition to the shutdowns of Fisk and Crawford in 2012, Midwest Generation also proposes to not operate Waukegan Unit 8 after January 1, 2015, until the FGD is completed. Pet. at 51, 53.
  - (a) Please indicate whether Midwest Generation proposes to continue using ultra-low sulfur coal on all of its coal-fired units during the term of the variance.

- (b) Please indicate what percentage of the coal used would be ultra-low sulfur coal.
- (c) Please comment on other operational management measures, such as temporarily optimizing existing control systems, that could be pursued to reduce emissions further than proposed in the petition during the term of the variance.

**35 III. Adm. Code 104.204(j) Suggested Conditions for Variance**

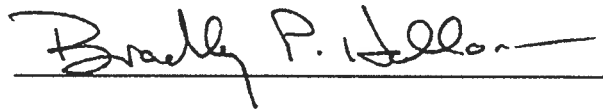
7. Besides the compliance plan, the petition does not address any conditions of the requested variance. Please provide language for each potential condition below or explain why it is inappropriate. An alternative condition with corresponding language may be provided along with an explanation as to why it is more appropriate.
- (a) A condition requiring that Midwest Generation submit annual progress reports to IEPA by the end of each calendar year addressing the status of engineering, budgeting, and construction activities related to the Trona system installations and associated PM control work.
  - (b) A condition requiring that the annual progress reports include an itemization of activities completed during the year and related expenses, activities planned to be completed in the forthcoming year and projected expenses, progress made to comply with the timelines specified in the variance, and the estimated in-service dates.
  - (c) A condition requiring that Midwest Generation notify IEPA if completion of the planned Trona system installations and associated PM controls becomes infeasible.

CERTIFICATE OF SERVICE

It is hereby certified that true copies of the foregoing order were mailed, first class, on December 21, 2012, to each of the persons on the service list below.

It is hereby certified that a true copy of the foregoing order was hand delivered to the following on December 21, 2012:

John T. Therriault  
Illinois Pollution Control Board  
James R. Thompson Center  
100 W. Randolph St., Ste. 11-500  
Chicago, Illinois 60601



Bradley P. Halloran  
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