

ILLINOIS POLLUTION CONTROL BOARD
August 3, 2015

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STATE OF ILLINOIS
Pollution Control Board

IN THE MATTER OF:)
)
AMENDMENTS TO 35 ILL. ADM. CODE) R15-21
PART 214, SULFUR LIMITATIONS, PART) (Rulemaking - Air)
217, NITROGEN OXIDES EMISSIONS,)
AND PART 225, CONTROL OF EMISSIONS)
FROM LARGE COMBUSTION SOURCES)



ORIGINAL

HEARING OFFICER ORDER

On April 28, 2015, the Illinois Environmental Protection Agency (IEPA) filed a rulemaking generally proposing to control emissions of sulfur dioxide (SO₂) in and around areas designated as nonattainment with respect to the 2010 SO₂ National Ambient Air Quality Standard. The rulemaking was filed pursuant to Sections 4, 10, 27, 28, and 28.2 of the Environmental Protection Act (415 ILCS 5/4, 10, 27, 28, 28.2 (2014)) and Section 102.202 of the Board's procedural rules (35 Ill. Adm. Code 102.202).

Three hearings have been scheduled in this rulemaking. The first hearing took place on July 8, 2015 in Springfield. The second hearing took place at 10:00 a.m. on July 29, 2015 in Joliet. The third hearing will take place at 10:30 a.m. on August 4, 2015 in Pekin.

After reviewing the testimony by the IEPA at the second hearing, the Board has additional questions. Attached to this order are Board questions for the witnesses of IEPA. These questions will be taken up at the third hearing. Opportunities for other participants attending the hearing to ask questions will be provided.

IT IS SO ORDERED.

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ATTACHMENT TO HEARING OFFICER ORDER

BOARD AND STAFF QUESTIONS FOR THIRD HEARING

The Board asks that the Illinois Environmental Protection Agency (IEPA) respond to the following questions relating to the Board's July 29, 2015 hearing on IEPA's proposal and IEPA's July 23, 2015 responses to the Board's pre-filed questions.

60. IEPA's Technical Support Document (TSD) Table 4 provided information on SO₂ emissions from Midwest Generation units for 2014, 2017, and 2019. TSD at 17. For each calendar year 2012, 2013, and 2014, provide the following information for each of Joliet Units 6, 7, and 8, and Will County Units 3 and 4:
 - a. actual annual SO₂ emissions in tons per year
 - b. rated capacity
 - c. total MWHs generated
 - d. annual capacity factor
 - e. average heat rate
 - f. annual heat input
61. Provide the following information for each of Joliet Units 6, 7, and 8, and Will County Units 3 and 4, as used in IEPA's modeling to demonstrate attainment with the one-hour SO₂ NAAQS.
 - a. SO₂ emission rate in lb/hr
 - b. rated capacity
 - c. total MWHs generated
 - d. annual capacity factor
 - e. average heat rate
 - f. annual heat input
 - g. fuel utilized and sulfur content of that fuel
62. In response to Board Question 49, IEPA states that "It would be difficult to determine the precise [SO₂] emission rate at Will County 4 without the Agency's proposed amendments...the unit's emissions would be regulated by the fleet-wide average 0.11 lb/mmBtu [SO₂] emission rate in 2019, regardless of whether the unit installs FGD equipment." PC5 at 8.
 - a. In general terms, provide a typical percentage range of SO₂ reductions that a coal-burning electric generating unit might realize from the installation of appropriately sized FGD equipment in terms of lb/hr and tons/year.
 - b. Based on actual 2012, 2013 and 2014 annual SO₂ emissions requested above for Will County 4, estimate a typical range of SO₂ reductions that appropriately sized FGD equipment could have provided for those years in terms of tons/year. Address whether such an estimate can be made in terms of lb/hr, and, if so, what the reduction might be.

- c. In general terms, provide a typical cost estimate for installation of FGD equipment, whether in terms of \$/mmBtu or \$/SO₂ tons removed or other appropriate units.
 - d. Provide cost estimates to install FGD equipment at Will County 4.
 - e. Provide cost estimates to convert Will County 4 from burning coal.
 - f. If IEPA does not have the above information, request for such information from Midwest Generation and enter it into the record.
63. In response to Question 47 regarding Midwest Generation's reasoning for requesting the switch from Joliet 6 to Will County 4 for an exemption to install FGD equipment, IEPA states that "Midwest Generation is contributing a great deal of SO₂ reductions (as well as reductions in other pollutants) for the area through its overall plan to switch four units from burning coal to burning primarily natural gas...Since Midwest Generation is going far beyond FGD in making these changes, and since the company is expending more resources than anticipated in doing so, Midwest Generation requests that the exception be changed to a different unit." PC 5 at 8. Comment on whether IEPA's proposed changes to Part 217 and Part 225 could be taken up in a separate proceeding before the Board such as a rulemaking, adjusted standard, or variance proceeding.
64. Referring to the above-quoted language, provide additional information, including quantifying emissions, regarding the collateral benefits of reductions of other pollutants through Midwest Generation's proposal to cease using coal at Joliet 6, 7, and 8 and Will County 3.
65. In terms of expending resources as mentioned above, provide the following cost information:
- a. Cost estimates of converting each of Joliet 6, 7, 8, and Will County 3 from burning coal.
 - b. Cost estimates for installing FGD equipment on Joliet Units 7 and 8, and Will County Unit 3.
 - c. If IEPA does not have the above cost information, request for such information from Midwest Generation and enter it into the record.
66. IEPA explained that with the conversion of the four Midwest Generation units and without the installation of FGD at Will County 4, "The proposed revisions, as a whole, will result in SO₂ emission reductions of more than 6,000 tons annually beginning in 2017." TSD at 11. Table 4 of the TSD shows calculated emissions in tons per year with and without the proposed amendments based on the CPS SO₂ rate. Assuming Will County 4 installed FGD and Will County 3 and Joliet Units 6, 7, and 8 did not cease burning coal, respond to the following:

- a. Identify the allowable emission rates for each unit in terms of lb/hr for the purposes of demonstrating attainment.
 - b. Quantify the SO₂ reductions for each of these units in terms of tons per year beginning in 2017 and compare it to the 6,000 tons referenced above.
67. IEPA's proposed language at 35 Ill. Adm. Code 225.296(b) provides:
- Other Control Technology Requirements for SO₂. On and after April 16, 2015, Will County 3 must not combust coal. On and after December 31, 2016, Joliet 6, 7, and 8 must not combust coal. Owners or operators of the other specified EGUs must either permanently shut down, permanently cease combusting coal at, or install FGD equipment on each specified EGU (except Will County 4 Joliet 5), on or before December 31, 2018, unless an earlier date is specified in subsection (a) of this Section.
- a. Address whether the proposed revisions to this section are necessary for making the attainment demonstration for the one-hour SO₂ NAAQS or if the limitations in proposed 35 Ill. Adm. Code Part 214 are sufficient.
 - b. In particular, if Will County 4 does not receive the FGD exemption, address whether fuel conversions at the other facilities are necessary to demonstrate attainment.
 - c. Comment on the Board amending the proposal at second notice to not propose the change in the parenthetical in this section. In other words, comment on the Board not making the following change: "(except Will County 4 Joliet 5)."
 - d. Address whether the emission limitations in proposed Section 214.603 would need to be revised if Will County 3 and Joliet 6, 7, and 8 did not cease burning coal and Will County 4 installed FGD.
68. During the first hearing, a public comment indicated that the basis for the FGD exemption in 35 Ill. Adm. Code 225.296(b) for Joliet 5 was that the unit had a shorter life span than other units in the fleet. 7-8-15 Tr. at 53. What is the life span of Joliet 5, now known as Joliet 6, and how does it compare to the life span of Will County 4, assuming both units burn coal?
69. Comments during the hearings indicated that environmental groups were not included in development of IEPA's proposed revisions at Section 225.296(b) based on Midwest Generation's proposal to convert Joliet 6, 7, and 8 and Will County 3 and exempt Will County 4 from the requirement to install FGD. 7-8-15 Tr. at 54, 7-29-15 Tr. at 85, 100-101, 116. During IEPA's outreach efforts, explain whether IEPA discussed Midwest Generation's proposal with environmental groups or other stakeholders.