

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

IN THE MATTER OF:)	
)	
PROPOSED NEW CAIR SO ₂ , CAIR NO _x)	
ANNUAL AND CAIR NO _x OZONE SEASON)	R06-26
TRADING PROGRAMS, 35 ILL. ADM.)	(Rulemaking- Air)
CODE 225, CONTROL OF EMISSIONS)	
FROM LARGE COMBUSTION SOURCES,)	
SUBPARTS A, C, D and E)	

NOTICE

TO: Dorothy Gunn, Clerk
Illinois Pollution Control Board
James R. Thompson Center
100 West Randolph, Suite 11-500
Chicago, Illinois 60601-3218

SEE ATTACHED SERVICE LIST

PLEASE TAKE NOTICE that I have today filed with the Office of the Pollution Control Board a JOINT COMMENT, a copy of which is herewith served upon you.

ILLINOIS ENVIRONMENTAL
PROTECTION AGENCY

By: _____
John J. Kim
Managing Attorney
Air Regulatory Unit
Division of Legal Counsel

DATED: January 5, 2007

1021 North Grand Avenue East
P.O. Box 19276
Springfield, Illinois 62794-9276
217.782.5544
217.782.9143 (TDD)

**THIS FILING IS SUBMITTED
ON RECYCLED PAPER**

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JOINT COMMENT

NOW COME Midwest Generation EME, LLC (“MWGen”) and the Illinois Environmental Protection Agency (“Illinois EPA”), by and through their respective attorneys, and state as follows:

On May 30, 2006, the Illinois EPA submitted to the Illinois Pollution Control Board (“PCB”) proposed 35 Ill. Adm. Code 225, New CAIR SO₂, CAIR NO_x Annual and CAIR NO_x Ozone Season Trading Programs, Control of Emissions from Large Combustion Sources, Subparts A, C, D and E. The purpose of the proposed regulations is to meet certain obligations of the State of Illinois under the federal Clean Air Act (“CAA”), 42 U.S.C. § 7401 *et seq.*; specifically, to satisfy Illinois' obligation to submit a State Implementation Plan to address the requirements of the Clean Air Interstate Rule (“CAIR”), *see*, 70 *Fed. Reg.* 25161 (May 12, 2005).

Pursuant to the schedule established by the PCB, evidentiary hearings on the proposed regulations were held from October 10, 2006 through December 8, 2006. The Illinois EPA presented witnesses that provided testimony and exhibits in support of the proposed regulations. MWGen appeared and participated in these hearings.

On December 10, 2006, MWGen and Illinois EPA entered into a memorandum of understanding (“MOU”) wherein the parties agreed to a timeline for MWGen to achieve deep and sustained reductions in emissions of mercury, SO₂, and NO_x from MWGen’s coal-fired Illinois electric generating units (“EGUs”). As a result of this MOU, and the hearings and evidentiary testimony related to the above-referenced rulemaking, MWGen and Illinois EPA state as follows:

1. MWGen and Illinois EPA are asking the PCB to consider and include with the above-referenced regulations a new section, 35 Ill. Adm. Code Section 225, titled Subpart F, Combined Pollutant Standards, 35 Ill. Adm. Code Section 225.600 *et. seq.* The proposed Subpart F is attached hereto as Exhibit A and provides as follows:

- Subpart F will establish an alternative means of compliance with the proposed emissions standards for mercury in Subpart B, Section 225.230(a) and will establish specific emissions levels for NO_x, particulate matter (“PM”), and SO₂. Reductions in mercury, NO_x, PM, and SO₂ emissions will be accomplished through a combination of permanent shut-downs of EGUs, installation of activated halogenated carbon injection systems for reduction of mercury (“ACI”), and the installation of pollution control equipment for NO_x, particulate matter (“PM”), and SO₂ emissions that will also reduce mercury emissions as a co-benefit. EGUs identified for compliance with the proposed Subpart F are referred to as a CPS Group.
- The owner or operator of the CPS Group must begin installation of ACI equipment on certain EGUs twelve months earlier than the dates required for installation and operation of ACI under the recently adopted mercury standards in Subpart B, Section 225. Specifically, ACI must be installed and operable by July 1, 2008 for certain EGUs, and by July 1, 2009 for certain other EGUs, as specified in proposed Subpart F, Section 225.615(a).
- By January 1, 2015, EGUs in the CPS Group (other than Will County 3, which has a compliance deadline of Jan. 1, 2016) must achieve mercury emissions standards

of either (a) 0.0080 lbs mercury/GWh gross electrical output; or (b) a minimum 90 percent reduction of input mercury.

- By 2012, all operable EGUs in the CPS Group must achieve and maintain an overall average annual NO_x emission rate of no more than 0.11 lbs/mmBtu.
- By 2013, all operable EGUs in the CPS Group must achieve an overall average SO₂ emissions rate of no more than 0.44 lbs/mmBtu, and each year thereafter continue to reduce the overall average SO₂ emissions from all operable EGUs to 0.11 lbs/mmBtu by 2019.
- The owner or operator of the CPS Group must install and operate selective non-catalytic NO_x reduction equipment (“SNCR”) (or an equivalent technology) to reduce NO_x emissions and flue gas desulfurization (“FGD”) equipment to reduce SO₂ emissions at the EGUs specified in Section 225.625 of the proposed Subpart F, and according to the schedule established therein.

2. MWGen and the Illinois EPA anticipate that the installation and operation of the pollution control equipment as contemplated by Subpart F will achieve significant reductions in SO₂, NO_x, and mercury, beyond that required from existing regulations and thereby further improve air quality. MWGen and Illinois EPA further state that the emissions controls designed to reduce NO_x, SO₂, such as ACI, SNCRs, and FGDs, are also recognized to provide high levels of mercury removal. Emissions reductions of NO_x and SO₂ required by Subpart F are beyond standards set forth in the Clean Air Interstate Rule (“CAIR”) and will further reduce ambient levels of ozone and PM 2.5, and will provide significant benefits to public health and the environment. EGUs complying with the proposed Subpart F must reduce NO_x emissions to an overall average rate of no more than 0.11 lbs/mmBtu by 2012, and SO₂ emissions to 0.28 lbs/mmBtu by 2015. Moreover, the use of the controls as specified in the proposed Subpart F will achieve significant reductions in mercury emissions, consistent with Subpart B, Section 225.230(a).

3. If the PCB includes the proposed Subpart F in the Agency's proposed CAIR rulemaking, owners and operators of EGUs may elect to comply with the requirements of this proposed Subpart F as specifically provided for therein. MWGen and the Illinois EPA agree that compliance with the proposed Subpart F is both technically feasible and economically reasonable, and that the level of mercury, NO_x, and SO₂ reductions required in the proposed Subpart F is expected to substantially contribute to the State's efforts to achieve the CAA's National Ambient Air Quality Standards, and that any further reductions needed beyond those proposed in Subpart F would need to come from other sources.

For all of the foregoing reasons, MWGen and the Illinois EPA request that the PCB include the proposed Subpart F for consideration in and as a part of the CAIR rulemaking.

Dated January 5, 2007.

Respectfully submitted,

MIDWEST GENERATION EME LLC

ILLINOIS ENVIRONMENTAL PROTECTION
AGENCY

By: /s/ Karl A. Karg
One of its Attorneys

By: /s/ John J. Kim
One of its Attorneys

Karl A. Karg
Cary R. Perlman
Andrea Hogan
Attorneys for Petitioners
Latham & Watkins, LLP
233 South Wacker Drive
5800 Sears Tower
Chicago, Illinois 60606

John J. Kim, Managing Attorney
Rachel L. Doctors, Assistant Counsel

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

STATE OF ILLINOIS
COUNTY OF SANGAMON

CERTIFICATE OF SERVICE

I, the undersigned, an attorney, state that I have served electronically the attached

JOINT COMMENT upon the following person:

Dorothy Gunn
Clerk
Illinois Pollution Control Board
James R. Thompson Center
100 West Randolph St., Suite 11-500
Chicago, IL 60601-3218

and mailing it by first-class mail from Springfield, Illinois, with sufficient postage affixed to the following persons:

SEE ATTACHED SERVICE LIST

ILLINOIS ENVIRONMENTAL
PROTECTION AGENCY

John J. Kim
Managing Attorney
Air Regulatory Unit
Division of Legal Counsel

Dated: January 5, 2007

1021 North Grand Avenue East
Springfield, Illinois 62794-9276
(217) 782-5544

SERVICE LIST
R06-26

John Knittle, Hearing Officer Illinois Pollution Control Board James R. Thompson Center 100 West Randolph St., Suite 11-500 Chicago, IL 60601-3218	Matthew J. Dunn, Division Chief Office of Attorney General Environmental Bureau 188 W. Randolph, 20 th Floor Chicago, IL 60601
Virginia Yang, Deputy Legal Counsel Illinois Dept. of Natural Resources One Natural Resources Way Springfield, IL 62702-1271	Keith I. Harley Chicago Legal Clinic 205 West Monroe Street, 4th Floor Chicago, IL 60606
James T. Harrington David L. Rieser Jeremy R. Hojnicky McGuire Woods LLP 77 West Wacker, Suite 4100 Chicago, IL 60601	William A. Murray Special Assistant Corporation Counsel Office of Public Utilities 800 East Monroe Springfield, IL 62757
S. David Farris Environmental, Health and Safety Manager Office of Public Utilities 201 East Lake Shore Drive Springfield, IL 62757	Faith E. Bugel Environmental Law and Policy Center 35 East Wacker Drive, Suite 1300 Chicago, IL 60601
Kathleen C. Bassi Sheldon A. Zabel Stephen J. Bonebrake Schiff Hardin LLP 6600 Sears Tower 233 South Wacker Drive Chicago, IL 60606	Katherine D. Hodge N. LaDonna Driver Hodge Dwyer Zeman 3150 Roland Avenue Springfield, IL 62705-5776
Bill S. Forcade Katherine M. Rahill JENNER & BLOCK, LLP One IBM Plaza Chicago, IL 60611	Sasha M. Reyes Steven J. Murawski One Prudential Plaza, Suite 3500 130 E. Randolph Dr. Chicago, IL 60601
Daniel McDevitt Midwest Generation 440 S. LaSalle St., Suite 3500 Chicago, IL 60605	Bruce Nilles Sierra Club 122 W. Washington Ave., Suite 830 Madison, WI 53703
James H. Russell Winston & Strawn, LLP 35 W. Wacker Drive, 40 th Floor Chicago, IL 60601	