

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

IN THE MATTER OF:)
)
AMENDMENTS TO 35 ILL. ADM.) PCB 15-21
CODE PART 214, SULFUR) (Rulemaking -Air)
LIMITATIONS, PART 217, NITROGEN)
OXIDES EMISSIONS, AND PART 225,)
CONTROL OF EMISSIONS FROM)
LARGE COMBUSTION SOURCES)

NOTICE OF FILING

TO: Mr. John T. Therriault Mr. Daniel Robertson
Assistant Clerk of the Board Hearing Officer
Illinois Pollution Control Board Illinois Pollution Control Board
100 W. Randolph Street 100 W. Randolph Street
Suite 11-500 Suite 11-500
Chicago, Illinois 60601 Chicago, Illinois 60601
(VIA ELECTRONIC MAIL) **(VIA U.S. MAIL)**

(SEE PERSONS ON ATTACHED SERVICE LIST)

PLEASE TAKE NOTICE that I have today filed with the Office of the Clerk of the Illinois Pollution Control Board **AMENDED TESTIMONY OF DAVID KOLAZ ON BEHALF OF IERG**, a copy of which is herewith served upon you.

Respectfully submitted,

Dated: July 23, 2015

By: /s/ Abby L. Allgire
Abby L. Allgire

Abby L. Allgire
Legal Counsel
Illinois Environmental Regulatory Group
215 East Adams Street
Springfield, Illinois 62701
(217) 522-5512

CERTIFICATE OF SERVICE

I, Abby L. Allgire, the undersigned, hereby certify that I have served the
AMENDED TESTIMONY OF DAVID KOLAZ ON BEHALF OF IERG upon:

Mr. John T. Therriault
Assistant Clerk of the Board
Illinois Pollution Control Board
100 West Randolph Street, Suite 11-500
Chicago, Illinois 60601

via electronic mail on July 23, 2015; and upon:

Daniel Robertson
Hearing Officer
Illinois Pollution Control Board
100 W. Randolph Street
Suite 11-500
Chicago, Illinois 60601

Angad Nagra
Office of the Attorney General
69 West Washington Street, Suite 1800
Chicago, IL 60602

Matt Dunn
Office of the Attorney General
500 South Second Street
Springfield, IL 62706

Dana Vetterhoffer
Illinois Environmental Protection Agency
1021 North Grand Avenue East
P.O. Box 19276
Springfield, IL 62794-9276

Stephen J. Bonebrake
Andrew N. Sawula
Schiff Hardin, LLP
233 South Wacker Drive Suite 6600
Chicago, IL 60606-6473

Office of Legal Services

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

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

AMENDED TESTIMONY OF DAVID KOLAZ ON BEHALF OF IERG

NOW COMES the ILLINOIS ENVIRONMENTAL REGULATORY GROUP ("IERG"), by and through its attorney, Abby L. Allgire, and submits the following AMENDED TESTIMONY OF DAVID KOLAZ for presentation at the July 29, 2015, hearing in the above-referenced matter.

IERG is hereby amending its testimony in light of ongoing discussions between the Illinois EPA and the regulated community, and to reduce the likelihood that unresolved issues could potentially delay the Board's finalization of this expedited rulemaking. IERG understands that the Agency intends to withdraw its proposed amendments to Section 214.301, the provision from which much of IERG's concerns with this rulemaking originate. As such, IERG no longer finds it necessary to testify regarding that provision, and has amended its testimony accordingly.

Further, IERG made a minor correction to the testimony under the heading titled, Liquid Fuels Limitation, as a date was listed incorrectly as January 1, 2018, when it should have been listed as January 1, 2017.

Amended Testimony of David Kolaz on behalf of IERG

My name is David Kolaz, and I am an environmental consultant providing air pollution expertise to the Illinois Environmental Regulatory Group and its members. I was previously employed by the Illinois EPA ("Agency") beginning in June 1971, where I served in various capacities in the air pollution control program, and ultimately served as Chief of the Bureau of Air from June 2000 until my retirement in December 2004. During my tenure at the Agency, I was

engaged in a variety of activities that included planning, development, and implementation of the statewide air pollution control program designed to meet State and federal clean air laws. I have provided environmental consulting services to IERG from January 1, 2005, to present.

I am a graduate of the University of Illinois, where I received a Bachelor of Science degree in Aeronautical and Astronautical Engineering in June 1971. I also received a Master of Science degree in Environmental Engineering from Southern Illinois University in 1984. I am a registered professional engineer in Illinois.

IERG is a not-for-profit Illinois corporation affiliated with the Illinois Chamber of Commerce. IERG is comprised of 57-member companies that are regulated by governmental agencies that promulgate, enforce, or administer environmental laws, rules, regulations, or other policies. One of IERG's primary roles is to represent the interests of its members in rulemakings before the Illinois Pollution Control Board ("Board"). IERG appreciates the opportunity to participate in this proceeding and offers the following testimony for consideration by the Board.

Purpose of Testimony

My testimony today is intended to support the overall efforts of the Illinois EPA to develop regulations that will efficiently and effectively achieve the goal of ensuring that Illinois meets the October 4, 2018, deadline for attaining the 2010 sulfur dioxide National Ambient Air Quality Standard (NAAQS) in the Lemont and Pekin nonattainment areas (78 *Fed. Reg.* 47191-47193). Additionally, I will provide specific comments regarding the proposed statewide ultra-low sulfur (15 ppm) rules, in support of the Agency's approach, while also identifying elements in the proposed rule that IERG finds necessary to highlight.

Sulfur Dioxide Air Quality Standards and Emission Reductions

The history of sulfur dioxide air quality standards and emission reductions in Illinois is useful for providing an overview of the evolution and focus of quality programs designed to limit emissions and meet these standards.

U.S. EPA promulgated its first NAAQS for sulfur dioxide on April 30, 1971 (36 *Fed. Reg.* 8186). These standards consisted of health-based primary standards with an annual limit (0.03 ppm) and a 24-hour limit (0.14 ppm). It also included a secondary welfare standard with an annual limit (0.02 ppm) and a 3-hour limit (0.5 ppm). The next action on the sulfur dioxide standard occurred on September 14, 1973, when U.S. EPA revoked the secondary annual standard (0.02 ppm) and retained the secondary 3-hour standard (0.5 ppm) (38 *Fed. Reg.* 25678). Following this change, the next time U.S. EPA addressed the sulfur dioxide NAAQS through a final rule was on May 22, 1996, when it determined that the latest health and welfare analysis supported retention of the existing primary and secondary standards (61 *Fed. Reg.* 25566). On June 22, 2010, U.S. EPA promulgated a 1-hour primary standard and revoked both the primary annual (0.03 ppm) standard and the primary 24-hour standard (0.14 ppm) (75 *Fed. Reg.* 35520). The secondary 3-hour standard (0.5 ppm) was retained. The latest sulfur dioxide air quality standard is the central focus of this rulemaking and represents a significant tightening of the primary health standard that has existed for the last 39 years.

Attainment Designations: On March 3, 1978, U.S. EPA designated 10 townships in Peoria and Tazewell Counties as nonattainment for the primary sulfur dioxide National Ambient Air Quality Standards (NAAQS) established on April 30, 1971 (43 *Fed. Reg.* 8962). These were the only areas of the State designated as nonattainment for the 1971 sulfur dioxide NAAQS. On June 5, 1995, U.S. EPA designated the remaining nonattainment areas in Peoria (Hollis and Peoria Townships) and Tazewell (Groveland Township) as in attainment of the 1971 sulfur dioxide NAAQS. After that action, there were no areas in Illinois designated as nonattainment

for the sulfur dioxide NAAQS. U.S. EPA noted in its redesignation announcement that no monitored violations of the sulfur dioxide air quality standards had occurred since 1977 in Peoria or Tazewell Counties.

After the promulgation of the revised sulfur dioxide NAAQS in 2010, U.S. EPA designated two areas of the State as nonattainment for the new standard based on air monitoring data. These areas are the focus of the emission reductions contemplated by this proposed rulemaking and consist of three townships in the Lemont area and three townships in the Pekin area.

Historical Sulfur Dioxide Emission Reductions: Illinois EPA was created by the Illinois Environmental Protection Act (PA 76-2429), which became effective on July 1, 1970. The first sulfur dioxide emission limits proposed by the newly formed Illinois EPA was filed with the newly formed Illinois Pollution Control Board on November 5, 1971, (R1971-023) and occurred just months after adoption of the first sulfur dioxide NAAQS. These rules were "...intended to form the structure of an integrated plan for implementation, maintenance, and enforcement of the National Ambient Air Quality Standards..." (November 5, 1971 letter to David P. Currie, Chairman of the Illinois Pollution Control Board, from John J. Roberts, Manager of the Division of Air Pollution Control for the Illinois EPA, and from William L. Blaser, Director of the Illinois EPA).

Since that time, both Illinois EPA and U.S. EPA have promulgated various sulfur dioxide emission limits reflecting advances in state-of-the-art pollution control for both new and existing facilities. The collective efforts of the State and federal programs have resulted in a dramatic decrease in sulfur dioxide emissions nationwide and in Illinois. According to data published in Illinois EPA's 2013 *Air Quality Report* (Appendix C: Point Source Emission Inventory Summary, Table C7), Illinois EPA estimates that sulfur dioxide emissions have decreased by 87%, from 1,577,992 tons per year in 1981 to 211,873 tons per year in 2013. U.S. EPA reported

emissions of sulfur dioxide decreased by 50% nationally between 2001 and 2010 (*Our Nation's Air-Status and Trends Through 2010*, EPA-454/R-12-001, February 2012). During this same period, Illinois EPA estimates that sulfur dioxide emissions in the State decreased by 53%.

Planning for the 2010 Sulfur Dioxide Standard

IERG commends Illinois EPA on its work to identify the reductions necessary to meet the new standard and on its outreach to the regulated community to identify the most cost effective means for achieving these reductions. It seems clear from the experience with the 2010 sulfur dioxide NAAQS nonattainment areas identified so far, that reductions at a limited number of emission sources can mean the difference between attainment and nonattainment. This fact emphasizes the need to carefully identify those emission reductions that will be most effective in achieving the air quality goals. Air monitoring data collected by the Agency since the 2008-2010 time frame shows that 3 of the 4 areas it previously identified as nonattainment for the current sulfur dioxide NAAQS now show monitored attainment (see Attachment A).

Based on the Agency's response to pre-filed questions submitted by IERG (Question 1(e)), the reason for these improvements can be tied to emission reductions at a few key facilities in the violating areas. A majority of the emission reductions being proposed by Illinois EPA in this rulemaking reflect the site-specific approach that is being taken to establish a cost effective emission reduction program that will result in achieving attainment by the deadline of October 4, 2018, or sooner.

Further, I would like to make specific comments on two components of the Agency's proposal. The first is in regard to the statewide 15 ppm diesel fuel standard, and the second is in regard to the revision proposed to the existing General Limitation (35 Ill. Adm. Code 214.301), which limits affected processes to 2000 ppm.

Liquid Fuels Limitation

The proposed rule requires the statewide use of diesel fuel with a sulfur content limit of 15 ppm (ultra-low sulfur diesel (ULSD)) beginning January 1, 2017. The Agency is to be commended on its extensive outreach on this element of the proposed rule. The Agency's analysis shows that ULSD is in widespread use in Illinois and IERG agrees. The Agency has accommodated some limited exceptions where a hardship was revealed, and these exceptions have been modeled to show that attainment of the NAAQS would not be threatened or impeded.

The Agency revised the portion of its original proposal (Illinois EPA's Second Motion to Amend Rulemaking Proposal-July 7, 2015) that requires that the owner or operator of an effected source keep records demonstrating compliance with the ULSD rule. The revision is less prescriptive than the original language, but is clear in what it demands. This allows greater flexibility for an entity to use testing, binding contracts, fuel supplier records or other suitable documents and methods to demonstrate compliance.

Thank you for the opportunity to present this testimony and for your consideration of the viewpoints expressed herein.

Respectfully submitted,

ILLINOIS ENVIRONMENTAL
REGULATORY GROUP

Dated: July 23, 2015

By /s/ Abby L. Allgire

ATTACHMENT A

ATTACHMENT A

ILLINOIS SULFUR DIOXIDE AIR MONITORING DATA
(2008-2014)

CITY	COUNTY	SITE CODE	ANNUAL 99TH PERCENTILE VALUES (ppb)							DESIGN VALUE (ppb)				
			2008	2009	2010	2011	2012	2013	2014	2008-2010	2009-2011	2010-2012	2011-2013	2012-2014
Champaign	Champaign	170191001	NA	NA	NA	NA	NA	14	15	NA	NA	NA	NA	NA
Chicago-SE Police	Cook	170310050	35	19	21	discontinued				25	NA	NA	NA	NA
Chicago-CTA	Cook	170310063	26	21	14	discontinued				20	NA	NA	NA	NA
Chicago-Com Ed	Cook	170310076	26	24	20	27	17	10	15	23	24	21	18	14
Lemont	Cook	170311601	97	114	90	90	108	73	16	100	98	96	90	66
Cicero	Cook	170314002	43	29	31	29	16	12	18	34	30	25	19	15
Northbrook	Cook	170314201	13	17	15	19	17	10	12	15	17	17	15	13
Oglesby	La Salle	170990007	326	8	14	8	6	9	10	116	10	9	8	8
Decatur	Macon	171150013	44	36	49	33	38	33	38	43	39	40	35	36
Nilwood	Macoupin	171170002	20	16	15	8	8	7	10	17	13	10	8	8
South Roxana	Madison	171191010	152	81	57	22	17	23	18	97	53	32	21	19
Wood River -WTP	Madison	171193007	67	46	54	28	30	29	30	56	43	37	29	30
Peoria	Peoria	171430024	52	21	43	45	44	32	38	39	36	44	40	38
Houston	Randolph	171570001	35	26	31	22	24	11	12	31	26	26	19	16
East St. Louis	St. Clair	171630010	35	30	31	22	24	19	25	32	28	26	22	23
Springfield	Sangamon	171670006	131	24	31	27	15	12	21	62	27	24	18	16
Pekin	Tazewell	171790004	243	233	228	172	245	195	190	235	211	215	204	210
Mount Carmel	Wabash	171850001	90	69	66	47	89	55	53	75	61	67	64	66
Rural Wabash County	Wabash	171851001	57	53	59	discontinued				56	NA	NA	NA	NA
Joliet	Will	171970013	56	32	24	discontinued				37	NA	NA	NA	NA

Indicates Design Value exceeds the 1-hour standard of 75 ppb.