

# Summary of Informational Order

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## ILLINOIS POLLUTION CONTROL BOARD



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### **ILLINOIS POLLUTION CONTROL BOARD ADOPTS INFORMATIONAL ORDER ON PEAKER PLANTS DOCKET NO. R01-10**

In response to a request from Governor George H. Ryan, the Illinois Pollution Control Board (Board) today adopted an Informational Order on natural gas-fired, peak-load electrical power generating facilities (peaker plants). Peaker plants generate electricity during periods of peak electricity demand. The recent proliferation of peaker plants has been a source of much public controversy in the Chicago metropolitan area.

The Informational Order follows seven days of public inquiry hearings across the State (August 23 and 24 in Chicago; September 7 in Naperville; September 14 in Joliet; September 21 in Grayslake; and October 5 and 6 in Springfield). Over 80 persons testified at these public hearings, including individual citizens, representatives of citizen groups, representatives of State and local government, and representatives of industry. The hearing transcripts comprise nearly 1,300 pages of testimony. The Board also received 195 written public comments. The transcripts and public comments are available on the Board's Web site at [www.ipcb.state.il.us](http://www.ipcb.state.il.us).

The Board was created by the Illinois Environmental Protection Act (Act) to "determine, define and implement the environmental control standards applicable in the State of Illinois." In addition to the Board's duty to promulgate environmental regulations and to decide contested environmental cases, the Board is authorized to conduct such other noncontested or informational hearings as may be necessary to accomplish the purposes of the Act. Specifically, the Board can conduct inquiry hearings to gather information on any subject the Board is authorized to regulate.

Citing public concern over the recent proliferation of peaker plants in Illinois, Governor Ryan, in a July 6, 2000 letter, asked Board Chairman Claire A. Manning to undertake Board inquiry proceedings. The Governor's letter specifically asked that the Board hold public hearings to address the following issues and to make recommendations on whether further regulation or legislation is necessary to safeguard Illinois' environment:

1. Do peaker plants need to be regulated more strictly than Illinois' current air quality statutes and regulations provide?
2. Do peaker plants pose a unique threat, or a greater threat than other types of State-regulated facilities, with respect to air pollution, noise pollution, or groundwater or surface water pollution?
3. Should new or expanding peaker plants be subject to siting requirements beyond applicable local zoning requirements?
4. If the Board determines that peaker plants should be more strictly regulated or restricted, should additional regulations or restrictions apply to currently permitted facilities or only to new facilities and expansions?
5. How do other states regulate or restrict peaker plants?

In its Informational Order, the Board provides specific answers to each of the Governor's questions and makes recommendations. Copies of the Informational Order will be available to the public on Friday, December 22. The Board is also preparing a companion report that it expects to release sometime in January. This report will summarize all of the information received by the Board in these proceedings. The Informational Order and companion report, when released, will be posted on the Board's Web site at [www.ipcb.state.il.us](http://www.ipcb.state.il.us). Copies may be obtained by calling the Board's Chicago office at (312) 814-3620 or its Springfield office at (217) 524-8500.

In its Informational Order, the Board recommends that the State tighten current environmental regulations concerning peaker plants to ensure the protection of the environment.

In the area of air emissions, the Informational Order notes that peaker plants burn natural gas, which is a relatively clean fuel from an environmental perspective. While peaker plants emit various pollutants into the air, nitrogen oxides (NO<sub>x</sub>) are of particular concern because they are ozone precursors. In Illinois, a facility that emits less than 250 tons per year (TPY) is considered a "minor" source under current State and federal environmental regulations. Many of the proposed peaker plants are being permitted to allow for emissions just under this threshold and are intended to emit much less than that. Due to their "peaking" nature, however, the Board finds that these plants are unique. They can emit most if not all of their permitted annual amount of air emissions during a concentrated period of time. This time period is generally the summer months when the ozone risk is highest.

In its Informational Order, the Board recommends that the Illinois Environmental Protection Agency (IEPA) and the Board engage in rulemaking under the Act to consider requiring these plants to use the "Best Available Control Technology" (BACT) in controlling their air emissions. BACT is a federally-derived regulatory methodology intended to determine the maximum degree to which air emissions can be reduced in light of energy, environmental, and economic impacts. Generally in Illinois, BACT only applies to "major" sources, which are those that emit 250 TPY or more.

Also regarding air regulations, the Board recommends codifying two practices that IEPA Director Tom Skinner administratively implemented to respond to public concern over the proliferation of peaker plants: dispersion modeling and public hearings for all proposed peaker plant construction permits.

Dispersion modeling is intended to ensure that peaker plant air emissions do not cause or contribute to a violation of the National Ambient Air Quality Standards (NAAQS). While not required for minor sources, IEPA has recently been requesting this modeling information from peaker plant developers during the permit process. The modeling should use conservative parameters to determine the worst-case impact, including any cumulative impact due to the clustering of peaker plants.

On the question of noise, the Board finds that Illinois' current noise regulations are adequate to address most concerns and that citizen's enforcement actions before the Board are available to enforce noise standards. Nonetheless, the Board recognizes that a "gap" exists in current Illinois noise regulation. While the State noise standards are strict, IEPA does not currently have a program in place to ensure at the time of air permitting that facilities will meet those noise standards. The Board recommends remedying that problem.

Finally, on the question of whether peaker plants should be subject to siting requirements beyond local zoning, the Board stops short of making any specific recommendation on siting. Instead, the Board provides the Governor with an informed discussion of the concerns raised and potential solutions.

In announcing the Board's Informational Order, Board Chairman Claire A. Manning stated: "The Board very much appreciates the valuable and insightful public participation in these proceedings from all interested persons, businesses, and associations. The huge record that was created has allowed the Board to address the threshold issues presented to us by the Governor and by the participants. We have been able to make several valuable recommendations to enhance the regulations that apply to these plants—and to further safeguard Illinois' environment. We commend Governor Ryan for the leadership he has shown on these issues and thank him for the opportunity to have served him and the citizens of the State of Illinois on these important questions."

The Board is an independent State board comprised of seven technically qualified individuals, all of whom are appointed by the Governor with the advice and consent of the Senate. For more information about the Board and its members, please visit the Board's Web site at [www.ipcb.state.il.us](http://www.ipcb.state.il.us).