

Meeting Minutes for NSR Workgroup meeting – March 14, 2006

Those in attendance:

Ron Amirikian, DNREC

David Bacher, NRG

Valerie Csizmadia, DOJ

Tap Das, DNREC

John Deemer, Valero

Al Denio, Sierra Club

Nick DiPasquale, Audubon Society

Michael Fiorentino, MAELC

Paul Foster, DNREC

Paul Jann, DuPont

Tom Lilly, DNREC

Amy Mann, DNREC

Louis Militana, AAQS

Deanna Morozowich, DNREC

Steve Ours, DNREC

Gene Pettingill, DNREC

Ravi Rangan, DNREC

Tom Webster, Daimler Chrysler

Stu Widom, Conectiv

OLD BUSINESS:

The Department asked for comments on the meeting minutes of the February 21, 2006 meeting. The department indicated that significant changes may be made in the meeting verbally. Any further changes can be sent via email after the meeting and posted under the 3/14/06 meeting. The record will stay open until next Tuesday March 21, 2006. The Department suggested that all committee members review the minutes and submit comments so that the meeting minutes can be finalized at that time.

NEW BUSINESS:

The Department provided no agenda since the meeting would be covering a small amount of topics: the meeting minutes from the last meeting (2/21/06), an example FEL for an EGU, and if time permits, further discussion on Draft 2 of the amendments to Regulation 1125 on the Facility-wide Emission Limit (FEL).

The New Source Review Supporting Documents page has been changed to refresh links that were found to be no longer current and remove links that are no longer available. That page is http://www.dnrec.state.de.us/air/aqm_page/NSR/NSRSupDoc.asp.

Annual Emission Inventory data for all 63 major sources has also been posted on the website under the 3/14/06 meeting. Data is provided for the year 1995 through 2004 for four (4) of the criteria pollutants: CO, NO₂, SO₂, and VOC. The data for the year 2000 was not included due to a lack in quality assurance. At the last meeting, one committee member asked if the Department could set an EGU FEL cap for the next meeting as an example. The Department agreed to do so and provided realistic sample data from the emission inventory for that facility to the Committee for discussion. The facility stakeholder for the Indian River power also provided data that he was more comfortable discussing. The data was sufficient for a discussion however, it will not be made

available for distribution outside the committee meeting as it was pointed out to be inaccurate. The data was provided merely for the mechanics in setting a cap.

From the data provided, the Department believes that the facility is not well controlled based on averaging the most recent two years of data. Another committee member disagreed with the Department and pointed out that the FEL procedure in the most recent draft looks at the highest (2) two years of data in the past (10) ten years. The units at the facility could quite possibly be well-controlled if good combustion practices are followed and maintained, but data will have to be reviewed for a proper determination.

One committee member asked if the same years would be considered for each pollutant. The Department did not have an answer right away, but after discussions with the committee, the pollutants and the years of consideration in developing the FEL may be different.

Another committee member asked about the meeting minutes from February 21, 2006 and questioned the Department's thinking behind LAER. In order to have LAER, the offsets have to provide an environmental benefit. The committee member believes that the language is broad and there is a limited universe of sources and wanted to know if the controls that were installed are still relevant. The Department responded that a total of four (4) sources have gone through NSR – three (3) sources between 1995 and 1997 and one (1) source in 1999. The controls are still current.

One committee member asked if each unit would be considered differently (on a unit-by-unit basis) on the same 24 month period. The department responded that pollutants would be considered differently. There was discussion about the different fuels that could be used throughout the year for certain units. Historical data on normal business operations would have to be reviewed to determine what makes the most practical sense.

One committee member presented some example data (heat inputs and annual growth) to the committee on the facility he represents to help in determining a FEL. Please note that this data is not available on the Department website as the data provided is inaccurate and was provided for discussion purposes only. Business cycles are long term and unknown because of the economy. From the data provided certain units were shown to be larger and have better capacity rates. It was explained to the committee that PJM, an independent system operator on a regional grid, provides constraints dictate how long and how often a system is in operation. Coal units, for example, operate for a lengthy period of time. However a standard outage on the unit is approximately 4-8 weeks and cannot be during the summer. This outage must be scheduled in advance with PJM and it must be secretive. The utility industry representatives believe that nothing can be done to control VOCs, CO, and PM in a four year time period without cost going up. The utilities would like to have special consideration when setting a FEL.

One committee member asked if CAIR requirements would have to be met. The department responded that there would be a cap and trade system. There would be modeling as to which facilities will need to put in controls and the option to buy credits is

also available. This is an NSR issue that has Multi-Pollutant interests at this time. The two can be related together and are concurrently being considered by the Department. It was suggested by the Department that a utility that is compliant with the Multi-P regulation is compliant with the FEL. A committee member stated that interlocking the two should not be allowed since the Multi-P regulation has not been developed. The Department stated that the timeframe for the two regulations is off but the Multi-P regulation should be drafted prior to the changes to NSR (Reg. 1125). The threshold set would determine or to set the FEL (or a hard deadline). As an example, it was suggested that if 4-years is provided to establish a FEL, based on the multi-p regulation, an EGU would get their PTE as their FEL. After much discussion, it was suggested that the Department start drafting some language and include the EPA for review.

The Department also pointed out that that a unit that has controls installed but seldom used may also be not well-controlled. Status would have to be determined upon review. Facilities subject to Regulation 42, Section 2, on the other hand, should be considered well controlled. This regulation is also under the regulatory development process. The Department has organized a website to track the changes of the development process. The website can be found at the following:

http://www.dnrec.state.de.us/air/aqm_page/Regulation1142.htm. Also for those interested in the Multi-pollutant Regulation in Delaware, a meeting was held last week in Dover. Presentations made by the three affected facilities (City of Dover, Edge Moor, and the Indian River Power Plant) will be available soon at the following website: http://www.dnrec.state.de.us/air/aqm_page/Multi-PRegulation.htm.

The next regularly scheduled NSR Committee meeting is from 10:00 am – 12:00 pm in the Lukens Drive Office, Conference Room B on Tuesday, April 4, 2006.