

Title 26 DEPARTMENT OF THE ENVIRONMENT

Subtitle 11 AIR QUALITY

Chapter 02 Permits, Approvals, and Registration

Authority: Environment Article, §§1-101, 1-404, 1-601—1-606, 2-101—2-103, 2-301—2-303, and 2-401—2-404, Annotated Code of Maryland

.01 Definitions.

A. In this chapter and in COMAR 26.11.03, the following terms have the meanings indicated.

B. Terms Defined.

(1) – (17) (text unchanged)

(17-1) “*Emergency Stationary Internal Combustion Engine*” is defined in 40 CFR Part 60, Subpart IIII or JJJJ, as amended.

(17-2) “*Emergency Stationary Reciprocating Internal Combustion Engine (RICE)*” is defined in 40 CFR Part 63, Subpart ZZZZ, as amended.

(18) – (56) (text unchanged)

C. (text unchanged)

.02 - .09 (text unchanged).

.10 Sources Exempt from Permits to Construct and Approvals.

A person may construct or modify or cause to be constructed or modified any of the following sources without first obtaining, and having in current effect, a permit to construct:

A. – D. (text unchanged)

E. *Emergency [S]stationary internal combustion engines or emergency stationary reciprocating internal combustion engines (RICE)* with an output less than 500 brake horsepower (373 kilowatts) [and which are not used to generate electricity for sale or load shaving as that term is defined in COMAR 26.11.36.01B];

F. – X. (text unchanged)

.11 - .19 (text unchanged).

Title 26 DEPARTMENT OF THE ENVIRONMENT

Subtitle 11 AIR QUALITY

Chapter 36 Distributed Generation

Authority: Environment Article, §§1-101, 1-404, 2-101—2-103, 2-301—2-303, and 2-401—2-404, Annotated Code of Maryland

.01 Definitions.

A. In this chapter, the following terms have the meanings indicated.

B. Terms Defined.

(1) – (2) (text unchanged)

(3) “Demand response program” means a program that provides incentives to electricity consumers at a facility that curtails electricity usage[, particularly during peak periods or emergencies, and that affects pricing, system stability, and overall planning in the electricity market].

[(4) “Economic response program” means a demand response program where a facility is economically incentivized to curtail on-site electricity demand from the grid when prices are high, which primarily occurs during peak electricity demand periods.

(5) Emergency.

(a) “Emergency” means a condition where the primary energy or power source is disrupted or discontinued due to conditions beyond the control of the owner or operator of a facility, including:

(i) A failure of the electrical grid;

(ii) On-site disaster or equipment failure; or

(iii) Public service emergencies such as flood, fire, natural disaster, or severe weather conditions.

(b) “Emergency” includes a PJM declared emergency.

(6) “Emergency generator” means:

(a) A engine used only during an emergency or for testing and engine maintenance purposes; and

(b) An engine that operates during an emergency according to the procedures in the PJM Emergency Operations Manual for a PJM declared emergency.

(7) “Emergency response program” means a demand response program where a facility curtails on-site electricity demand only during an emergency declared by the PJM in accordance with Manual 13, Emergency Operations, Revision 40, Effective Date August 13, 2010, as amended.]

[(8)](4) “Engine” means a stationary internal combustion engine or stationary reciprocating internal combustion engine (RICE), subject to 40 CFR Part 63 Subpart ZZZZ and 40 CFR Part 60 Subparts IIII or JJJJ.

[(9)](5) “Facility” means a commercial, institutional, or industrial establishment that has on-site capability to generate electric power to be used internally to reduce on-site electric power consumption, to reduce the overall electric system demand, or for other purposes.

[(10)] Load Shaving Unit.

(a) “Load shaving unit” means an engine that operates for other than an emergency to generate electricity for use on-site or for sale.

(b) “Load shaving unit” does not include an engine:

(i) Whose primary function is to generate electricity for use by the public; or

(ii) That serves as the primary source of power for agricultural equipment or industrial equipment, including the period when equipment or a facility is being maintained and the engine is used in place of the primary power source.]

[(11)](6) “Participating engine” means an internal combustion engine located at a participating facility that is operated as part of a demand response program.

[(12)](7) “Participating facility” means a facility that has entered into a valid contract with a CSP to participate in a demand response program.

[(13) “PJM declared emergency” means a condition that exists where the PJM Interconnection, LLC notifies electric distributors that an emergency exists or may occur and it is necessary to implement the procedures in the PJM Manual 13 Emergency Operations, as revised.]

.02 Applicability.

This chapter applies to a person who owns or operates an *engine as defined in §.01B of this chapter* [emergency generator, load shaving unit,] or a curtailment service provider.

.03 [Emergency Generators and Load Shaving Units NOx Requirements] *Requirements for Stationary Engines.*

The owner or operator of an engine is subject to requirements under 40 CFR Part 63 Subpart ZZZZ and 40 CFR Part 60 Subparts IIII or JJJJ as applicable.

[A. Applicability and General Requirements for Emergency Generators and Load Shaving Units.

(1) The owner or operator of an emergency generator may not operate the generator except for emergencies, testing, and maintenance purposes.

(2) Except as provided in §A(5) of this regulation, this regulation does not apply to any engine that is fueled with natural gas or propane.

(3) This regulation does not apply to any engine that operates as a redundant system for power without direct or indirect compensation that is:

(a) Located at a nuclear power plant; or

(b) Located at a facility where operation of the engine is necessary to support critical national activities relating to security, aerospace research, or communications.

(4) The owner or operator of an emergency generator or load shaving unit may be subject to the federal standards for stationary internal combustion engines under 40 CFR Parts 60 and 63.

(5) The owner or operator of an emergency generator or load shaving unit may not operate the engine for testing and engine maintenance purposes between 12:01 a.m. and 2:00 p.m. on any day on which the Department forecasts that the air quality will be a code orange, code red, or code purple unless the engine fails a test and engine maintenance and a re-test are necessary.

(6) The owner or operator of an engine that is used for any purpose other than for emergency purposes shall install and operate a non-resettable hourly time meter on the engine for the purpose of maintaining the operating log required in §E of this regulation.

B. Requirements for Existing Load Shaving Units Installed on or Before January 1, 2009.

(1) The owner or operator of an existing load shaving unit that was installed on or before January 1, 2009, shall:

(a) Install a NO_x control system to meet an emissions standard of 1.4 grams per brake horsepower or less;

(b) Replace the engine with a new engine that meets federal new source performance standards and was manufactured after January 1, 2009; or

(c) Not operate the engine for more than a total of 10 hours during the period of May 1 to September 30 of any year.

(2) The 10-hour limit in §B(1)(c) of this regulation is exclusive of the time that the unit operates for emergency purposes and the time for testing and engine maintenance.

(3) Upon request and on a case-by-case basis, the Department may, for the purpose of engine registration and compliance, treat a group of small engines, under the same or different ownership and performing the same function, as a single entity and establish alternative requirements for the engines.

(4) For engines to be equipped with NO_x controls or replaced with a new engine that meets federal standards, compliance shall be achieved by July 1, 2010, or a later date approved by the Department.

(5) If an owner or operator purchases and installs a used engine, that engine, for the purpose of this regulation, is considered an existing engine unless the used engine was manufactured after January 1, 2009.

C. Requirements for New Load Shaving Units Installed After January 1, 2009.

(1) Except as provided in §§B(1)(b) and C(3) of this regulation, a load shaving unit that is installed after January 1, 2009:

(a) Shall be equipped with a NO_x control system that meets a NO_x emissions rate of not more than 1.4 grams per brake horsepower; or

(b) May not operate the engine for more than a total of 10-hours during the period of May 1 to September 30 of any year.

(2) The 10-hour limit in §C(1)(b) of this regulation is exclusive of the time that the unit operates for emergency purposes and the time for testing and engine maintenance.

(3) An engine with a capacity of 1,000 horsepower or less manufactured and installed after January 1, 2009, that meets applicable federal new source performance standards is exempt from the requirements in §C(1) of this regulation.

D. Alternative Method of Achieving Compliance.

(1) The owner or operator of a load shaving unit may, in lieu of meeting the requirements of §B or C of this regulation, achieve compliance by securing ozone season NO_x allowances for the NO_x emitted for load shaving purposes during the period of May 1 to September 30 of each year.

(2) The owner or operator of a load shaving unit who chooses to secure ozone season NO_x allowances in lieu of complying with §B or C of this regulation shall:

(a) Secure not less than one ozone season NO_x allowance;

(b) Round up to the next whole number if the number of allowances to be secured under §D(3)(c) or (4)(d) results in a fractional number;

(c) When calculating the amount of NO_x emitted for load shaving purposes during the period May 1 to September 30 under §D(3)(a) or (4)(a) and (b) of this regulation, exclude from those calculations the amount of NO_x emitted during the initial 10 hours of operation during that period; and

(d) Secure the ozone season NOx allowances by December 31 of each year and submit those allowances to the Department for retirement by February 1 of the following year.

(3) The owner or operator of an existing load shaving unit installed on or before January 1, 2009, who chooses to secure ozone season NOx allowances in lieu of compliance with §B of this regulation shall:

(a) Calculate, in tons, the total amount of NOx emitted during the period May 1 to September 30;

(b) Multiply the total tons of NOx emitted, as calculated in §D(3)(a) of this regulation, by three; and

(c) Secure at least the same number of ozone season NOx allowances as the number resulting from the calculation performed in §D(3)(b) of this regulation.

(4) The owner or operator of a new load shaving unit installed after January 1, 2009, who chooses to secure ozone season NOx allowances in lieu of compliance with §C of this regulation shall:

(a) Calculate, in tons, the total amount of NOx emitted during the period May 1 to September 30;

(b) Calculate, in tons, the total amount of NOx that would have been emitted during the period May 1 to September 30 if the engine had met the NOx emission rate of 1.4 grams per brake horsepower;

(c) Subtract the number calculated in §D(4)(b) from the number calculated in §D(4)(a), then multiply the result by five; and

(d) Secure at least the same number of ozone season NOx allowances as the number resulting from the calculations performed in §D(4)(c) of this regulation.

E. Record Keeping.

(1) The owner or operator of a load shaving unit shall maintain an operating log that includes the date the unit operated and the total operating time for each day that the unit operated.

(2) The operating log shall be maintained for 5 years and made available to the Department upon request.

F. Determining a Violation. A load shaving unit required to meet the NOx emissions standards or the operational limitations in this regulation may be subject to a penalty for each day the unit operates in violation of the requirements.]

.04 Annual Report Requirement for Curtailment Service Providers (CSPs).

A. A CSP that administers a demand response program for a participating facility in the State shall provide the following information to the Department in an annual report:

(1) – (2) (text unchanged)

(3) A description of the demand response program for each participating engine[, that is, whether it is an economic response program or an emergency response program];

(4) As called for by the CSP, the dates on which each engine was requested to operate during the year and the hours of operation on each date, including:

(a) The reason for operating the engine under a demand response program[, that is, whether it is an economic response program or an emergency response program];

(b) – (c) (text unchanged)

(5) – (7) (text unchanged)

B. – C. (text unchanged)