

AIR QUALITY CONTROL ADVISORY COUNCIL

AGENDA

August 5, 2015 9:00 a.m.

Montgomery Park Aeris Conference Room, 1st Floor 1800 Washington Boulevard Baltimore, Maryland 21230

Conference Call Number: 1-866-247-6034 Code: 8803038423

| 9:00 a.m. | . Welcome and Introductions John Quinn, Advisory Co Tad Aburn, Air Director | | • |
|--------------|---|--|------------|
| 9:10 a.m. | Approval of Meeting Minutes | | John Quinn |
| Action Items | s for Discussion/Approval: | | |
| 9:15 a.m. | Amendments to Control of NO _x Emissions from Coal-Fired Electric Generating Units COMAR 26.11.38 | | Tad Aburn |
| 11:30 a.m. | Adjourn | | |
| | | | |

Next Meeting Dates September 21, 2015 December 7, 2015

August 5, 2015

AQCAC Meeting on New NOx Regulations

Title 26 DEPARTMENT OF THE ENVIRONMENT Subtitle 11 AIR QUALITY

Chapter 38 Control of NO_x Emissions from Coal-Fired Electric Generating Units

This document is a highlighted version of COMAR 26.11.38 for use at the AQCAC meeting on the proposed regulation scheduled for August 5, 2015.

Highlights:

Text with white background is text that is already adopted and in effect because of the emergency regulation that became effective on May 1, 2015. The emergency regulation adopted all of the 2015 requirements to provide immediate public health protection.

The text with the teal blue background is text that is identical to the text in the earlier regulation to implement additional requirements in 2020.

The text with the yellow background is new text to implement a new option to meet the 2020 requirements.

The text with the yellow background that also includes red underlining is the primary new substantive text to implement the new option to meet the 2020 requirements.

Title 26 DEPARTMENT OF THE ENVIRONMENT Subtitle 11 AIR QUALITY

Chapter 38 Control of NO_x Emissions from Coal-Fired Electric Generating Units

Authority: Environmental Article, §§1-404, 2-103 and 2-301-2-303, Annotated Code of Maryland

.01 Definitions.

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

B. Terms Defined.

(1) "Affected electric generating unit" means any one of the following coal-fired electric generating units:

(a) Brandon Shores Units 1 and 2;

(b) C.P. Crane Units 1 and 2;

(c) Chalk Point Units 1 and 2;

(d) Dickerson Units 1, 2, and 3;

(e) H.A. Wagner Units 2 and 3;

(f) Morgantown Units 1 and 2; and

(g) Warrior Run.

(2) "Emergency operations" means an event called when PJM Interconnection, LLC or a successor independent system operator, acts to invoke one or more of the Warning or Action procedures in accordance with PJM Manual 13, Revision 57, as amended, to avoid potential interruption in electric service and maintain electric system reliability.

[(2)] (3) "Operating day" means a 24-hour period beginning midnight of one day and ending the following midnight, or an alternative 24-hour period approved by the Department, during which time an installation is operating, consuming fuel, or causing emissions.

[(3)] (4) "Ozone season" means the period beginning May 1 of any given year and ending September 30 of the same year.

[(4)] (5) System.

(a) "System" means all affected electric generating units within the State of Maryland subject to this chapter that are owned, operated, or controlled by the same person and are located:

(i) In the same ozone nonattainment area as specified in 40 CFR Part 81; or

(ii) Outside any designated ozone nonattainment area as specified in 40 CFR Part 81.

(b) "System" includes at least two affected electric generating units.

[(5)] (6) "System operating day" means any day in which an electric generating unit in a system operates.

(7) "30-day rolling average emission rate" means a value in lbs/MMBtu calculated by:

(a) Summing the total pounds of pollutant emitted from the unit during the current operating day and the previous 29 operating days;

(b) Summing the total heat input to the unit in MMBtu during the current operating day and the previous 29 operating days; and

(c) Dividing the total number of pounds of pollutant emitted during the 30 operating days by the total heat input during the 30 operating days.

[(6)] (8) "30-day systemwide rolling average emission rate" means a value in lbs/MMBtu calculated by:

(a) Summing the total pounds of pollutant emitted from the system during the current system operating day and the previous 29 system operating days;

(b) Summing the total heat input to the system in MMBtu during the current system operating day and the previous 29 system operating days; and

(c) Dividing the total number of pounds of pollutant emitted during the 30 system operating days by the total heat input during the 30 system operating days.

[(7)] (9) "24-hour block average emission rate" means a value in lbs/MMBtu calculated by:

(a) Summing the total pounds of pollutant emitted from the unit during 24 hours between midnight of one day and ending the following midnight;

(b) Summing the total heat input to the unit in MMBtu during 24 hours between midnight of one day and ending the following midnight; and

(c) Dividing the total number of pounds of pollutant emitted during 24 hours between midnight of one day and ending the following midnight by the total heat input during 24 hours between midnight of one day and ending the following midnight.

(10) "24-hour systemwide block average emission rate" means a value in lbs/MMBtu calculated by:

(a) Summing the total pounds of pollutant emitted from the system during 24 hours between midnight of one day and ending the following midnight;

(b) Summing the total heat input to the system in MMBtu during 24 hours between midnight of one day and ending the following midnight; and

(c) Dividing the total number of pounds of pollutant emitted during 24 system hours between midnight of one day and ending the following midnight by the total heat input during 24 system hours between midnight of one day and ending the following midnight.

.02 Applicability.

The provisions of this chapter apply to an affected electric generating unit as that term is defined in Regulation .01B of this chapter.

.03 2015 NO_x Emission Control Requirements.

A. Daily NO_x Reduction Requirements During the Ozone Season.

(1) Not later than 45 days after the effective date of this regulation, the owner or operator of an affected electric generating unit (the unit) shall submit a plan to the Department and EPA for approval that demonstrates how each affected electric generating unit will operate installed pollution control technology and combustion controls to meet the requirements of A(2) of this regulation. The plan shall summarize the data that will be collected to demonstrate compliance with A(2) of this regulation. The plan shall cover all modes of operation, including but not limited to normal operations, start-up, shut-down, and low load operations.

(2) Beginning on May 1, 2015, for each operating day during the ozone season, the owner or operator of an affected electric generating unit shall minimize NO_x emissions by operating and optimizing the use of all installed pollution control technology and combustion controls consistent with the technological limitations, manufacturers' specifications, good engineering and maintenance practices, and good air pollution control practices for minimizing emissions (as defined in 40 CFR §60.11(d)) for such equipment and the unit at all times the unit is in operation while burning any coal.

B. Ozone Season NO_x Reduction Requirements.

(1) Except as provided in B(3) of this regulation, the owner or operator of an affected electric generating unit shall not exceed a NO_x 30-day systemwide rolling average emission rate of 0.15 lbs/MMBtu during the ozone season.

(2) The owner or operator of an affected electric generating unit subject to the provisions of this regulation shall continue to meet the ozone season NO_x reduction requirements in COMAR 26.11.27.

(3) Ownership of Single Electric Generating Facility.

(a) An affected electric generating unit is not subject to B(1) of this regulation if the unit is located at an electric generating facility that is the only facility in Maryland directly or indirectly owned, operated, or controlled by the owner, operator, or controller of the facility.

(b) For the purposes of this subsection, the owner includes parent companies, affiliates, and subsidiaries of the owner.

C. Annual NO_x Reduction Requirements. The owner or operator of an affected electric generating unit subject to the provisions of this regulation shall continue to meet the annual NO_x reduction requirements in COMAR 26.11.27.

D. NOx Emission Requirements for Affected Electric Generating Units Equipped with Fluidized Bed Combustors.

(1) The owner or operator of an affected electric generating unit equipped with a fluidized bed combustor is not subject to the requirements of \$, B(1) and (2), and C of this regulation.

(2) The owner or operator of an affected electric generating unit equipped with a fluidized bed combustor shall not exceed a NO_x 24-hour block average emission rate of 0.10 lbs/MMBtu.

.04 Additional NO_x Emission Control Requirements.

A. This regulation applies to C.P. Crane units 1 and 2, Chalk Point unit 2, Dickerson units 1, 2, and 3 and H.A. Wagner unit 2.

B. General Requirements. The owner or operator of the affected electric generating units subject to this regulation shall choose from the following:

(1) Not later than June 1, 2020:

(a) Install and operate a selective catalytic reduction (SCR) control system; and

(b) Meet a NO_x emission rate of 0.09 lbs/MMBtu, as determined on a 30-day rolling average during the ozone season;

(2) Not later than June 1, 2020, permanently retire the unit;

(3) Not later than June 1, 2020, permanently switch fuel from coal to natural gas for the unit;

(4) Not later than June 1, 2020, meet either a NO_x emission rate of 0.13 lbs/MMBtu as determined on a 24-hour

systemwide block average or a systemwide NO_x tonnage cap of 21 tons per day during the ozone season. C. When option B(4)of this regulation is selected:

(1) Not later than May 1, 2016, the owner or operator of an affected electric generating unit shall not exceed a NO_x 30-day systemwide rolling average emission rate of 0.13 lbs/MMBtu during the ozone season.

(2) Not later than May 1, 2018, the owner or operator of an affected electric generating unit shall not exceed a NO_x 30-day systemwide rolling average emission rate of 0.11 lbs/MMBtu during the ozone season.

(3) Not later than May 1, 2020, the owner or operator of an affected electric generating unit shall not exceed a <u>NO_x 30-day systemwide rolling average emission rate of 0.09 lbs/MMBtu during the ozone season.</u>

D. In order to calculate the 24-hour systemwide block average emission rate and systemwide NO_x tonnage cap under §B(4) of this regulation and the systemwide rolling average emission rates under §C of this regulation:

(1) The owner or operator shall use all affected electric generating units within their system as those terms are defined in Regulation .01B of this chapter; and

(2) The unit(s) NOx emissions from all operations during the entire operating day shall be used where the unit(s) burn coal at any time during that operating day.

E. Beginning June 1, 2020, if the unit(s) included in a system, as that system existed on May 1, 2015, is no longer directly or indirectly owned, operated, or controlled by the owner, operator, or controller of the system:

(1) The remaining units within the system shall meet either:

(a) The requirements of §B(1)—(3) of this regulation; or

(b) A NOx emission rate of 0.13 lbs/MMBtu as determined on a 24-hour systemwide block average and the requirements of §C(3) of this regulation.

(2) The unit(s) no longer included in the system shall meet requirements of §B(1)—(3) of this regulation. F. For the purposes of this regulation, the owner includes parent companies, affiliates, and subsidiaries of the owner.

[.04] .05 Compliance Demonstration Requirements.

A. Procedures for Demonstrating Compliance with Regulation .03A of this Chapter.

(1) An affected electric generating unit shall demonstrate, to the Department's satisfaction, compliance with Regulation .03A(2) of this chapter, using the information collected and maintained in accordance with Regulation .03A(1) of this chapter and any additional documentation available to and maintained by the affected electric generating unit.

(2) An affected electric generating unit shall not be required to submit a unit-specific report consistent with A(3) of this regulation when the unit emits at levels that are at or below the following rates:

| Affected Unit | 24-Hour Block Average NO _x Emissions in lbs/MMBtu | |
|----------------------------|--|--|
| Brandon Shores | | |
| Unit 1 | 0.08 | |
| Unit 2 | | |
| < 650 MWg | 0.07 | |
| \geq 650 MWg | 0.15 | |
| C.P. Crane | | |
| Unit 1 | 0.30 | |
| Unit 2 | 0.28 | |
| Chalk Point | | |
| Unit 1 only | 0.07 | |
| Unit 2 only | 0.33 | |
| Units 1 and 2 combined | 0.20 | |
| Dickerson | | |
| Unit 1 only | 0.24 | |
| Unit 2 only | 0.24 | |
| Unit 3 only | 0.24 | |
| Two or more units combined | 0.24 | |
| H.A. Wagner | | |
| Unit 2 | 0.34 | |
| Unit 3 | 0.07 | |
| Morgantown | | |
| Unit 1 | 0.07 | |
| Unit 2 | 0.07 | |

(3) The owner or operator of an affected electric generating unit subject to Regulation .03A(2) of this chapter shall submit a unit-specific report for each day the unit exceeds its NO_x emission rate under A(2) of this regulation, which shall include the following information for the entire operating day:

(a) Hours of operation for the unit;

(b) Hourly averages of operating temperature of installed pollution control technology;

(c) Hourly averages of heat input (MMBtu/hr);

(d) Hourly averages of output (MWh);

(e) Hourly averages of ammonia or urea flow rates;

(f) Hourly averages of NO_x emissions data (lbs/MMBtu and tons);

(g) Malfunction data;

(h) The technical and operational reason the rate was exceeded, such as:

(i) Operator error;

(ii) Technical events beyond the control of the owner or operator (e.g. acts of God, malfunctions); or

(iii) Dispatch requirements that mandate unplanned operation (e.g. start-ups and shut-downs, idling, and operation at low voltage or low load);

(i) A written narrative describing any actions taken to reduce emission rates; and

(j) Other information that the Department determines is necessary to evaluate the data or to ensure that compliance is achieved.

(4) An exceedance of the emissions rate under A(2) of this regulation as a result of factors including but not limited to start-up, shut-down, days when the unit was directed by the electric grid operator to operate at low load or to operate pursuant to any emergency generation operations required by the electric grid operator, including necessary testing for such emergency operations, or which otherwise occurred during operations which are deemed consistent with the unit's technological limitations, manufacturers' specifications, good engineering and maintenance practices, and good air pollution control practices for minimizing emissions, shall not be considered a violation of Regulation .03A(2) of this chapter provided that the provisions of the approved plan as required in Regulation .03A(1) under this chapter are met.

B. Procedures for Demonstrating Compliance with NO_x Emission Rates under this Chapter.

(1) Compliance with the NO_x emission rate limitations in Regulations .03B(1) and D(2), .04B(1)(b), B(4), C(1), C(2), C(3), and E(2), and [.04].05A(2) of this chapter shall be demonstrated with a continuous emission monitoring system that is installed, operated, and certified in accordance with 40 CFR Part 75.

(2) For Regulation .03B(1), .04C(1), C(2) and C(3) of this chapter, in order to calculate the 30-day systemwide rolling average emission rates, if 29 system operating days are not available from the current ozone season, system operating days from the previous ozone season shall be used.

(3) For $\S.04B(1)(b)$, in order to calculate the 30-day rolling average emission rates, if 29 operating days are not available from the current ozone season, operating days from the previous ozone season shall be used.

[.05] .06 Reporting Requirements.

A. Reporting Schedule.

(1) Beginning 30 days after the first month of the ozone season following the effective date of this chapter, each affected electric generating unit subject to the requirements of this chapter shall submit a monthly report to the Department detailing the status of compliance with this chapter during the ozone season.

(2) Each subsequent monthly report shall be submitted to the Department not later than 30 days following the end of the calendar month during the ozone season.

B. Monthly Reports During Ozone Season. Monthly reports during the ozone season shall include:

(1) Daily pass or fail of the NO_x emission rates under Regulation [.04].05A(2) of this chapter;

(2) The reporting information as required under Regulation [.04].05A(3) of this chapter; [and]

(3) The 30-day systemwide rolling average emission rate for each affected electric generating unit to demonstrate compliance with Regulation .03B(1), .04C(1), C(2) and C(3) of this chapter, as applicable[.];

(4) For an affected electric generating unit which has selected the compliance option of Regulation .04B(1) of this chapter, beginning June 1, 2020, the 30-day rolling average emission rate calculated in lbs/MMBtu;

(5) For an affected electric generating unit which has selected the compliance option of Regulation .04B(4) of this chapter, beginning June 1, 2016, the 30-day rolling average emission rate and 30-day systemwide rolling average emission rate calculated in lbs/MMBtu;

(6) For an affected electric generating unit which has selected the compliance option of Regulation .04B(4) of this chapter, beginning June 1, 2020, data, information, and calculations which demonstrate the systemwide NO_x emission rate as determined on a 24-hour block average or the actual systemwide daily NO_x emissions in tons for each day during the month; and

(7) For an affected electric generating unit which has selected the compliance option of Regulation .04E(2) of this chapter, beginning June 1, 2020, data, information, and calculations which demonstrate the systemwide NO_x emission rate as determined on a 24-hour block average for each day during the month.

.07 Electric System Reliability During Ozone Seasons.

A. In the event of emergency operations, a maximum of 12 hours of operations per system per ozone season may be removed from the calculation of the NO_x limitations in Regulation .04B(4) of this chapter from the unit(s) responding to the emergency operations provided that:

(1) Within one business day following the emergency operation, the owner or operator of the affected electric generating unit(s) notifies the Manager of the Air Quality Compliance Program of the emergency operations taken by PJM Interconnection; and

(2) Within five business days following the emergency operation, the owner or operator of the affected electric generating unit(s) provides the Department with the following information:

(a) PJM documentation of the emergency event called and the unit(s) requested to operate;

(b) Unit(s) dispatched for the emergency operation;

(c) Number of hours that the unit(s) responded to the emergency operation and the consecutive hours that will be used towards the calculation of the NO_x limitations in §.04B(4) of this chapter; and

(d) Other information regarding efforts the owner or operator took to minimize NO_x emissions in accordance with Regulation .03A(1) of this chapter on the day that the emergency operation was called.

B. Any partial hour in which a unit operated in response to emergency operations under §A of this regulation shall constitute a full hour of operations.