

**SUMMARY OF COMMENTS AND STAFF RESPONSES FOR
CAA SECTION 111(d) STATE PLAN FOR THE CONTROL OF MERCURY
EMISSIONS FROM COAL-FIRED ELECTRIC STEAM GENERATING UNITS**

**COMMENTS RECEIVED PRIOR TO THE
APRIL 18, 2007 AIR QUALITY ADVISORY COUNCIL MEETING**

Written Comments

- 1. COMMENT:** Mr. Perry Freidrich of Grand River Dam Authority emailed the following letter on January 10, 2007:

Mr. Moffett,

I have reviewed the proposed DRAFT State 111(d) Plan and wish to submit, on behalf of the Grand River Dam Authority, the following comments for your consideration:

- 1) I believe the inclusion of the reference to Section 129 in the title to be inappropriate. Section 129 of the Clean Air Act pertains to solid waste combustion and not to mercury emissions from electric generating units (EGUs). I suggest the title of the document be "State 111(d) Plan Control of Mercury Emissions from Coal-Fired Electric Steam Generating Units".
- 2) I believe it would be beneficial to define "EGU".
- 3) Section VI, page 3 refers to the Clean Air Marketing Division. I believe the correct title is Clean Air Markets Division.
- 4) Section VII, page 4 (COMPLIANCE SCHEDULE FOR COAL-FIRED EGUS) – I believe the wording does not accurately reflect how the cap-and-trade program is to work. I suggest the following replace the wording as it exists in the draft proposal: "An owner or operator of each designated existing coal-fired EGU must demonstrate compliance with the standard by holding one allowance for each ounce of Hg emitted in any given year. Allowances are readily transferable among all regulated facilities. The owners or operators of EGUs subject to 40 CFR part 60 Subpart HHHH shall comply with all applicable Subpart HHHH requirements and this Section 111(d) State Plan on or before January 1, 2010."

Thank for any consideration you might give these comments.

If you have any questions please call me at (918)824-1034, or if more convenient via email at pfriedrich@grda.com

RESPONSE: Staff made the changes suggested in the title and in Section VI. We will take the other requests into consideration.

- 2. COMMENT:** Mr. Perry Freidrich of Grand River Dam Authority emailed the following letter on April 4, 2007:

April 4, 2007

Mr. Moffett,

In previous correspondence, comments pertinent to the Draft State 111(d)/129 Plan (Control of Mercury Emissions From Coal-Fired Electric Steam Generating Units) were directed to your attention.

I am today submitting, on behalf of the Grand River Dam Authority, additional comments for your consideration:

Page 3, Section VI, title – The title for Section VI contains the word “Limitations”. I believe the use of this word has the potential to be a source of confusion.

The federal rule provides for a cap-and-trade program similar to the existing SO₂ portion of the Acid Rain program. The mercury cap-and-trade approach and the applicable program limit are addressed in the summary portion of the preamble to the rule (see the May 18, 2005 *FR*, page 28606): “The amendments to the CAA Section 111 rules would establish a mechanism by which Hg emissions from new and existing coal-fired Utility Units are capped at specified, nation-wide levels. A first cap of 38 tons per year (tpy) becomes effective in 2010, and a second phase cap of 15 tpy becomes effective in 2018. Facilities must demonstrate compliance with the standard by holding one ‘allowance’ for each ounce of Hg emitted in any given year. Allowances are readily transferable among all regulated facilities.”

Each state is provided a mercury budget. Individual existing unit allocations are then provided based on heat input and as detailed in 40 CFR 60.4142. Individual units must then hold sufficient allowances to provide for annual reconciliations for respective accounts. The units are not precluded from buying or banking allowances to achieve compliance.

Based on the above, I believe the purpose of the cap-and-trade program would be better denoted if “Limitations” were replaced with “Allocations”.

- 1) Page 3, Section VI, text – The word “cap” is used several times in this section. As with the use of “Limitations” (see comment 1 above), I believe its use to be a potential source of confusion. To better denote the compliance mechanism provided by the rule, my suggestion is to replace “cap” with “budget”. In this context, and to help substantiate my rationale for this suggestion, I direct your attention to the definition of “Hg budget emissions limitation” as found at 40 CFR 60.4102:

“Hg budget emissions limitations means, for a Hg Budget source, the equivalent in ounces of the Hg allowances available for deduction for the source under Sec. 60.4254(a) and (b) for a control period.”

Allowances available for deduction are those in an account at the time of account reconciliation. These allowances can be placed in an account by transfer (see excerpt

from the May 18, 2005 *FR* provided in comment 1, and Sec. 60.4154 of the final rule) or can be previous years' allowances banked for future use.

- 2) Page 3, Section VI, Table 2 – For the reasons provided above, I believe “Limits” should be replaced with “Allocations”. It is my opinion that this would better denote the compliance mechanisms provided by the rule
- 3) Page 4, Section VII – Today’s correspondence is an opportunity to reiterate that portion of the previously submitted comments pertinent to this section and consistent with comments (1) through (3), above: The suggested rewording of Section VII to “An owner or operator of each designated existing coal-fired EGU, must demonstrate compliance with the standard by holding one allowance for each ounce of Hg emitted in any given year. Allowances are readily transferable among all regulated facilities. The owners or operators of EGUs subject to 40 CFR Part 60 Subpart HHHH shall comply with all applicable Subpart HHHH requirements and this Section 111(d) State Plan on or before January 1, 2010.”
- 4) Page 4, Section VIII – In paragraph 1, it is stated that continuous emission monitoring systems are required for compliance with Part 75. 40 CFR 72.2 defines “Continuous emission monitoring system” and also “Sorbent trap monitoring system”. 40 CFR 60.49a (q) provides for the use of sorbent trap monitoring, and 40 CFR 75.15 addresses its use. Additional information regarding sorbent trap operation and QA/QC is found on p.28637 of the May 18, 2005 *Federal Register*. I believe the wording of Section VIII should be changed to make it clear that sorbent trap monitoring is a method of compliance as provided in the final rule as published in the referenced *Federal Register*.
- 5) Page 5, Appendix C – This appendix is blank and the intent is therefore not clear. I believe some notation specifying the intent and/or the proposed addition of future information should be included.

Thank you for this opportunity to comment. Any consideration you might give these comments would be greatly appreciated. If you have any questions please do not hesitate to contact me at (918)824-1034. If more convenient, you may contact me via email at pfriedrich@grda.com.

Sincerely,
Perry S. Friedrich, Environmental Department Superintendent
Grand River Dam Authority

RESPONSE: Staff will take these comments into consideration.