

September 20, 2011

Ozone Transport Commission  
Alex Ryan-Bond  
Via e-mail: [arbond@otcair.org](mailto:arbond@otcair.org)

Mr. Ryan-Bond:

Dominion appreciates the opportunity to comment on the draft Model Rule for Natural Gas Compressor Station Prime Movers that was made available to us earlier this month. As a fully integrated gas and electric utility, Dominion has operations that would be affected by this model rule should it be adopted by the OTC states in which Dominion owns and operates natural gas compressor stations, namely Virginia, Pennsylvania, and New York. Dominion is a member of the Interstate Natural Gas Association of America (INGAA) and supports the comments this group submits.

As discussed in the INGAA comments, Dominion questions the need for a model rule since the vast majority of prime movers and associated capacity are already controlled – nominally to levels that are marginally higher than the proposed emission standards in the Model Rule. With the implementation of controls in 2013 for smaller rich-burn engines as required by the August 2010 RICE MACT, further mandated reductions would not be expected to materially improve air quality in the Ozone Transport Region. It would be a more effective use of resources to allow states to evaluate the impact of the few remaining uncontrolled sources and determine how these factor into their overall ozone reduction plans, rather than mandate an overarching control plan that would add to the state's administrative burden with little environmental benefit.

To the extent that the OTC decides to pursue a Model Rule, the draft rule does not allow the states or the regulated community the necessary flexibility to achieve the desired emissions reductions, particularly in the three-year time frame called for in the draft. While Dominion understands the need for a consistent, coherent rule to assist states in achieving the ozone levels required by the National Ambient Air Quality Standards, it is necessary for the rule to have enough flexibility so that states can work with the regulated community to determine the most efficient, workable plan. The primary issues of concern with the current draft are:

Compliance Options. The model rule, as currently drafted, relies on each individual emissions unit meeting a very prescriptive set of control requirements and does not allow the owner the option of averaging emissions over a facility or even a geographic area. The flexibility of being able to retrofit or retire units as part of a more holistic plan makes the best use of resources by allowing an owner to make decisions that will decrease emissions and, at the same time, manage changes to the natural gas transmission system. Flexibility is particularly important at this time

as new natural gas reserves are being developed and the transmission system is adapting to meet this need using both new equipment and redeployment of existing transmission capacity.

Emission Limits. The emission limits in the draft model rule appear to reflect those for “new” engines in the recent NSPS for Spark Ignited Engines (40 CFR Part 60.xxx). Emission limits that are possible from retrofits of older engines are typically higher than those expected from newly constructed units as reflected in the NSPS. Dominion would ask that the Commission reexamine the limits being proposed to ensure that they are actually possible at all loads and all conditions for retrofitted units and allow the proposed limits to reflect more appropriate limits for the types of engines being regulated.

Size and Operating Hours Thresholds: The draft model rule proposes limits and controls for units as small as 200 hp. As reflected in the INGAA comments, the actual emissions decreases that would be realized from regulation of smaller units would not significantly impact the ambient levels of ozone. Dominion asks that the Commission evaluate the data presented in the INGAA comments and determine an appropriate threshold that would not seek to regulate small units that do not contribute significantly to attainment of the air quality standard. Although the draft includes a minimum number of operating hours under which a unit would be exempt, the use of this exemption would likely require an operating hours restriction in the permit making it unworkable in most situations. The restriction of operating hours is not feasible for many units since they must be available at all times to meet the transmission company’s FERC requirement to supply natural gas to its customers, which include industrial users, electric power stations, and local gas utilities. A level of redundancy must be built into the transmission system to ensure that natural gas will continue to be delivered to the customer even in the event of mechanical failure. Transmission companies are reluctant to accept hours restrictions on any individual engine because it could essentially take that unit “off-line” when needed to back-up another engine that would be down due to mechanical failure.

Technology Limitations. For compressor drivers, *proven retrofit* control technology may not be available for all units or operate the same on all units. It has been Dominion’s experience that the installation of controls on some models negatively impacts the operability of the engine, particularly when more than one control technology is needed to meet the emission limit. When coupled with the compliance schedule being contemplated by the draft rule (addressed below), there is not adequate time to sequence installation of controls in such a way that the operability of a given unit is ensured before taking the next unit down. This could put the viability of the transmission system at risk. Dominion asks that the Commission consider only proven retrofit technologies when setting both emissions limits and the compliance schedule.

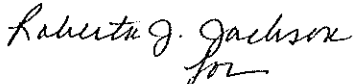
Compliance Schedule: A set compliance date of January 2015 is unrealistic; time is needed to determine the appropriate technology, design the installation, schedule the unit(s) down time so

that the system is still operable while retrofits are being made, perform the physical installation, and then ensure that the units (both the engine and the control equipment) will operate as designed. Some engines can only be taken out of service during a certain time and, likewise, other engines can only operate during a certain time window. For example, compressor engines that move gas into storage only operate during certain months to move gas into the storage pool, during the winter months when gas is taken from the storage pool these engines cannot operate. Dominion asks that the Model Rule allow the states to determine the appropriate compliance schedule for each individual company so that installation of controls can be sequenced to ensure that emission reductions are obtained without compromising the operability of the natural gas transmission system.

Test Method Flexibility. The testing methodology should allow the use of portable analyzers to verify compliance with NOx limits. The use of portable analyzers has been widely recognized as providing similar quality results when compared to the use of conventional analyzers at a lower cost. Portable analyzers are also more useable for engines in remote locations which are not always accessible by truck and which may not have electric power available.

Thank you for considering Dominion's comment. Should you have any questions or wish to discuss these comments please contact Roberta Jackson at (304)-464-5961.

Sincerely,

  
for  
Pamela F. Faggert