

OTC CAIR Replacement Rule Recommendation Technical Support Document

The OTC is providing technical information in support of the recommendations to EPA on a CAIR replacement rule included in the September 2, 2009 joint letter from OTC and LADCO and the additional recommendations in the September 10, 2009 letter from OTC. The supporting materials provided below are organized as follows:

- Assessments and Rationale for Electricity Generating Units (EGUs)
 - EGU Emission Rates
 - Timing
 - Cost of Controls
 - Air Quality Benefits
- Assessments and Rationale for Other Sectors
 - Other Stationary Source Measures
 - Mobile Source Measures
- Appendix I – EGU Rates
- Appendix II – Timing
- Appendix III – Cost of Controls
- Appendix IV – Air Quality Benefits
- Appendix V – Other Sectors

The technical information included in this support document is based on studies and analyses conducted recently by the OTC, and where noted, by LADCO.

Assessments and Rationale for Electricity Generating Units (EGUs)

In its earliest response to EPA's proposed transport rule - first the Interstate Air Quality Rule (IAQR), and later, the Clean Air Interstate Rule (CAIR) - OTC provided comments and analyses showing that additional NO_x and SO₂ reductions beyond those the rule provided would be needed for areas in the OTR to come into attainment with the ozone and PM_{2.5} National Ambient Air Quality Standards (NAAQS). In response to the IAQR and CAIR, the OTC states developed a multi-pollutant position in 2004, using several different analyses of potential EGU control rates as a basis for developing national caps for NO_x and SO₂ that were more stringent and earlier than those provided in CAIR.

The analysis used in OTC's recent review of the 2004 multi-pollutant position, along with evaluations of the current state of controls on EGUs and rate information extracted from recent American Electric Power Service Corp. (AEP) settlements and consent decrees was provided to the state collaborative process. Additional support for the timeframes and flexibility provisions in the OTC additional recommendations are provided in a short case study on the experiences of the Maryland Department of Environment (MDE) with its Healthy Air Act (HAA), as well as experiences in other states with their own state rules and additional information contained in the AEP settlements/consent decrees. Recent evaluations of control cost data that OTC has conducted for potential control strategies, including analyses for industrial, commercial and institutional boilers and boilers serving EGUs, provide data for relative cost/ton comparison between EGU and other sector NO_x and SO₂ controls. An additional sensitivity analysis using OTC's latest SIP modeling runs, in tandem with the results from the State

Collaborative modeling runs, demonstrate the need for the air quality benefits that can be achieved from the rates and structure of the OTC recommendations.

EGU Emission Rates

In developing its 2004 position, OTC relied heavily on an analysis conducted by the National Association of Clean Air Agencies (NACAA) to support of its 2002 Principles for a Multi-Pollutant Strategy for Power Plants. The NACAA analysis demonstrated that reductions in the range of 82-88% by 2013 for SO₂ and 73-81% for NO_x from a 2001 baseline were technologically feasible. Reductions within this range would yield emission rates as follows:

- NO_x: 0.07 for new source BACT; 0.10 for retrofit BACT; and
- SO₂: 0.10 for new source BACT; 0.15 for retrofit BACT.

In comparison, the average emission rates for 2001 as reported by EPA were 0.37 lb/mmBtu for NO_x and 0.84 lb/mmBtu for SO₂ (the 2001 baseline would not have included the NO_x SIP Call).

OTC continued to work on and refine its position on EGU rates, based on additional analyses. In a 2007 review, the OTC Multi-P Workgroup performed an analysis to determine revised NO_x and SO₂ cap levels.

Assessment 1. In the 2007 review of the OTC multi-pollutant position for EGUs, the OTC Multi-P Workgroup performed an analysis using the EPA Acid Rain database and information from the Department of Energy's Energy Information Agency (EIA) to examine reasonably cost-effective post-combustion EGU control technologies and determine fleet-wide average NO_x and SO₂ emission rates for the fossil fuel-fired EGUs in the lower 48 states. The OTC Multi-P Workgroup concluded that for NO_x, a 0.08 lbs/mmBtu fleet wide average emission rate would be achievable by 2018, along with an interim hard cap in 2012 based on a 0.125 lbs/mmBtu fleet-wide average. For SO₂ the OTC Multi-P Workgroup concluded that a 0.15 lb/mmBtu fleet wide average emission rate was achievable by 2018, along with an interim hard cap in 2012 based on a 0.25 lb/mmBtu fleet-wide average. The methodology applied by the OTC Multi-P Workgroup included the assumptions in Table I-1 below (also shown in Appendix I):

Table I-1. Control Assumptions for the Methodology Applied by the OTC Multi-P Workgroup

| | EGU Size | | | | Emission reduction assumed | |
|-----------------|-----------------|--|--|---------------------|--|---|
| | 25MW- <100MW | 100MW- <200MW <50% input capacity | 100MW- <200MW >50% input capacity | 200MW or greater | For EGUs with existing "assumed" add-on controls | For EGUs applying "new" add-on controls |
| NO _x | SNCR | SNCR | SCR | SCR | Remains same as 2008 controlled level | 90% SCR 355 SNCR 55% SNCR to SCR increment |
| SO ₂ | DSI | DSI | FGD | FGD | Remains same as 2008 controlled level | 95% FGD 60% DSI |

Control Technologies: DSI (Duct Sorbent Injection); FGD (Flue Gas Desulfurization); SCR (Selective Catalytic Reduction); SNCR (Selective Non-Catalytic Reduction)

* For EGUs identified as already incorporating the technology applied in the OTC Multi-P Workgroup's methodology their NO_x emission rates were assumed to remain the same as their 2008 Ozone Season controlled

emission rates and their SO₂ emission rates were assumed to remain the same as their annual 2008 controlled emission rates.

**For each NO_x and SO₂ control technology a 0.06 lb/MMBTU “basement” level (i.e., maximum control level) was assumed.

When these assumptions are applied to coal units (all coal and coal > 100 MW) on a statewide average ozone season basis in the Ozone Transport Region (OTR), the result is a range of rates for NO_x between 0.06 and 0.23 lb/mmBtu. A similar application in the LADCO states on a statewide average ozone season basis yields NO_x rates in the range of 0.06 and 0.14 lb/mmBtu. Similarly, when the SO₂ assumptions are applied in the OTR on a statewide annual basis, the result is a range of rates for SO₂ between 0.06 and 0.32 lb/mmBtu. Following suit in the LADCO states on a statewide annual basis yields SO₂ rates in the range of 0.06 and 0.31 lb/mmBtu. Statewide rates for each state based on this analysis are outlined in Tables I-2 through I-5 in Appendix I.

This analysis does not include emissions from units in the states that use other fuels, such as natural gas, that would lower the overall statewide average emission rate. It also shows that some states with higher percentages of coal in their overall fuel mix will need flexibility in the regulatory structure and timing to achieve those rates.

Assessment 2. In a second assessment of potential EGU rates, OTC compiled information for each of the states in the eastern U.S. to show the average NO_x and SO₂ emission rates from EPA’s 2008 Clean Air Market Division (CAMD) database, based on units 25 MW and above for all fuels. Then the incremental NO_x and SO₂ rates within the ranges discussed by the State Collaborative were calculated for each state, from 0.07 - 0.125 lb/mmBtu for NO_x and from 0.15 - 0.30 lb/mmBtu for SO₂. The tons reduced at each control level increment and the percent reduction from 2008 levels is calculated for each state. The results are shown in Tables I-6 and I-7 in Appendix I, along with Tables I-8 and I-9 showing LADCO’s data on achievable average annual emission rates based on their plant-level, unit-level analysis of coal fired units greater than 100 MW, and the timing of projected post-combustion controls installations. Comparing the OTC tables based on the CAMD data with the LADCO table, the 2008 rates are very close, despite the fact that the CAMD data includes all fuels and the LADCO data is for coal units only.

Assessment 3. Using a third data set to assess potential EGU emission rates, the OTC examined the recent consent decree signed by American Electric Service Corp. (AEP) which requires the installation of SCR and FGD controls on EGUs in a number of states including Indiana, Kentucky, Ohio, Virginia and West Virginia. The consent decree requires several of these units to meet a federally-enforceable 30-day rolling average emission rate of 0.100 lb/mmBtu for NO_x and a 30-day rolling average emission rate of 0.100 lb/mmBtu for SO₂. Furthermore, repowering requirements as stipulated in the consent decree state that the technology achieve “equivalent environmental performance that at a minimum achieves and maintains a 30-day rolling average emission rate of 0.100 lb/mmBtu or a 30-day rolling average removal efficiency of at least 95% for SO₂ and a 30-day rolling average emission rate of 0.070 lb/mmBtu for NO_x.

The limits specified in the AEP consent decree provide additional support for the technical feasibility and cost effectiveness of the NO_x and SO₂ emission rates “observed by” the State Collaborative EGU Technical Workgroup presented at the State Collaborative meetings held on October 7, 2008 and April 27-28, 2009. AEP would not have signed this consent decree if it was not certain that it could comply with all of its terms. Note that the NO_x and SO₂ emission rates in the consent decree are more stringent than the NO_x and SO₂ emission rates in the OTC recommendations because they are based on unit

specific, 30-day rolling average emission rates rather than statewide average emission rates. If EGU retrofits can achieve the NO_x and SO₂ rates specified in the AEP consent decree on a unit specific basis, then it should be feasible for other EGUs to achieve these emission rates on a statewide average basis.

Timing

Timing flexibility is a key issue in developing an EGU control strategy. If the regulatory structure is designed correctly, it will provide incentives to get controls installed quickly. One example of this is provided by the Maryland Department of Environment's (MDE) experience with their Healthy Air Act (HAA), which was passed in 2006, with final rules issued in January 2007 (see MDE case study in Appendix II). MDE's experience with the HAA demonstrates that it is possible to achieve simultaneous, rather than sequential, installation of controls in less than 3 years after promulgation of the rules requiring those controls.

- In Maryland, 3 SCRs and 6 SNCRs on coal units ranging in size from 125 - 600 MW, and 6 FGD on 9 coal-fired units ranging in size from 200 -700 MW are installed or will have completed installation by the end of 2009, or less than 3 years after the HAA rules were promulgated. Four SCRs had been installed on coal-fired power plants in Maryland prior to the HAA.
- MDE included a waiver for units that could not meet the control levels by the date required, providing additional time for them to install controls. The waiver was not utilized by any EGU.
- The installations responding to the HAA rules occurred at the same time that controls were being required for CAIR and a number of consent decrees on EGUs. Despite these competing interests, there were no delays in construction or installation due to labor or equipment constraints.

More specific information can be found in Appendix II, Example 1 on the MDE HAA case study, including a schematic of the timeline of installations on specific EGUs in response to the rule.

In another example from Delaware, the state established phased NO_x and SO₂ limits in Regulation 1146, promulgated in December 2006, with the first phase of controls required to be operational in May 2009. This provided a 2.5-year window from promulgation of the rule to installation and operation of controls for the first phase of NO_x and SO₂ controls. The emission rates and timing for the reductions required by Delaware's Regulation 1146 is applicable to coal-fired and residual oil-fired units 25 MW and above are as follows:

- NO_x = 0.15 lb/mmBtu on all units beginning May 1, 2009 through December 2011, with a second, more stringent limit on the same units of 0.125 lb/mmBtu for the period January 1, 2012 and beyond (limits are on a rolling 24-hour basis);
- SO₂ = 0.37 lb/mmBtu on all units beginning May 1, 2009 through December 2011, with a second, more stringent limit on coal-fired units of 0.26 lb/mmBtu for the period January 1, 2012 and beyond (limits are on a rolling 24-hour basis); and
- Residual oil-fired units may not accept residual fuel oil for combustion that has a sulfur content in excess of 0.5% by weight from January 1, 2009 and beyond.

More information on Delaware's Regulation 1146 can be found at:
<http://regulations.delaware.gov/AdminCode/title7/1000/1100/1146.shtml>

Finally, data collected on controls resulting from EPA's NO_x SIP Call show that a over 75 percent of the SCR units installed occurred within a 4-year window, between 2003 to 2007, with more than 50 percent of the installations occurring in the 2003-2004 timeframe. More information on the installation of SCR controls in response to EPA's NO_x SIP Call can be found in Appendix II, Example 2.

Cost of Controls

EPA needs to perform a comprehensive cost analysis for the CAIR replacement rule; however, in the interim the data show that aggressive controls on EGUs continues to be the most cost-effective option available to the states in meeting the ozone and PM_{2.5} standards.

Table III-1 in Appendix III provides recently developed cost estimates for various NO_x and SO₂ controls in 2008 dollars, including selective non-catalytic reduction (SNCR), selective catalytic reduction (SCR), flue gas desulfurization, low NO_x burners (LNB) and combinations of these controls on coal-fired, residual oil-fired, distillate oil-fired and natural gas-fired boilers. The data shows that the cost for controls caps out at \$4,900 per ton of NO_x removed for an SCR and \$3,600 per ton of SO₂ removed for a dry FGD system (dry scrubber) installed on a 250 mmBtu/hr (approximately 73 MW) coal-fired boiler operating at 66 percent capacity. The NO_x control costs for 250 mmBtu/hr fossil fuel-fired boilers serving EGUs range from \$1,100 to \$8,700 per ton of NO_x removed and the SO₂ control costs for 250 mmBtu/hr coal-fired boilers serving EGUs range from \$1,400 to \$3,600 per ton of SO₂ removed.

OTC is conducting an extensive examination of potential control measures to consider as additional strategies in their ozone and PM_{2.5} SIPs. The costs of several of these controls on a \$/ton basis far exceed the cost of EGU controls, as shown in Tables III-2 and III-3 in Appendix III.

Air Quality Benefits

The State Collaborative effort has produced modeling analyses to examine the impact that a CAIR replacement rule might have on air quality in the Eastern United States. These regional modeling results show that an EGU based strategy would have a positive impact on PM_{2.5} and ozone air quality in the region and that while nearby sources have by far the greatest impact, significant contribution to levels of ozone and PM_{2.5} can come from states several hundred miles away. This effort also shows that with an EGU strategy that approximates CAIR and other currently adopted measures many areas are still above the current ozone (0.075 ppm) and PM_{2.5} NAAQS.

Furthermore, the State Collaborative modeling also show that even with the most stringent NO_x (0.07 lb/mmBtu) and SO₂ (0.10 lb/mmBtu) emission control rates applied on a unit-by-unit basis, a number of areas remain in non-attainment. Under these emission limits the modeling shows 23 counties in non-attainment for the 75 ppb ozone standard, 10 counties not meeting the PM_{2.5} daily standard, and 3 counties in non-attainment for the PM_{2.5} annual standard. The State Collaborative modeling is not "SIP quality," so it was conducted to provide, at best, ballpark estimates that are only meant to be directionally correct. Even with the substantial improvement in air quality shown in the 2018 modeling results, however, approximately 37 million people will still be exposed to unhealthy levels of air pollution. Results from the State Collaborative air quality modeling are summarized in the charts and maps on pages 1-2 of Appendix IV.

To ascertain the level of reductions that might be necessary to meet the current ozone NAAQS, the OTC performed sensitivity modeling. This sensitivity modeling employed across-the-board reduction in NO_x

emissions (point, area and mobile sources). This sensitivity modeling indicates that by reducing NO_x emissions by 40 % from all sectors attainment with the current ozone NAAQS is possible. While it is likely impossible to reduce NO_x emissions by 40 % from all sectors, this provides a pathway to determine the level of emissions reductions needed for planning purposes. The ultimate decision on the measures chosen will be based on feasibility (both technical and cost) and effectiveness. Results from the OTC sensitivity modeling are summarized in the maps and charts on pages 3-5 of Appendix IV.

Assessments and Rationale for Other Sectors

The states in the eastern U.S. have affirmed that emission reductions beyond what is achievable from EGU sources alone will be necessary to comply with the ozone and PM_{2.5} standards, and to address transport and regional haze. Both the joint OTC-LADCO recommendation of September 2, 2009 and the additional recommendations provided by OTC in the September 20, 2009 letter put forward potential EGU emission rates for consideration by EPA that go beyond the original CAIR levels. It is important that significant reductions are also obtained from sources in the area and mobile source sectors to bring areas into attainment with air quality standards and mitigate transport of air pollutants and their precursors from one part of the country into another.

Other Stationary and Area Source Measures

The OTC states have taken actions beyond the EGU sector during the past 10 years to reduce NO_x and VOC emissions from non-EGU stationary and area sources including consumer products, architectural and industrial maintenance coatings, adhesives and sealants, solvents, portable fuel containers, asphalt paving, distributed generators, cement kilns, glass furnaces and industrial, commercial and institutional (ICI) boilers. The model rules developed in 2001 and 2006 for these source categories have been developed and implemented by many of the OTC states as outlined in Tables V-1 through V-4 in Appendix V.

The OTC has long advocated to EPA that these rules be applied nationally, and EPA has taken national action in some areas, e.g., consumer products. The ICI boiler model rule was used in last year's State Collaborative discussions with LADCO to help develop a joint set of recommendations for a national ICI boiler strategy to EPA. Further, in the current planning work occurring in the OTR for the new ozone and PM_{2.5} SIPs, the OTC is continuing to drill down into other non-EGU stationary and area source categories to find additional reductions, as outlined in the potential measures illustrated in Tables III-2 and III-3 in Appendix III.

Mobile Source Control Measures

The OTC states have also implemented numerous programs to reduce ozone precursor emissions from mobile sources. The majority of the states have adopted California Low Emission Vehicle standards applicable to new vehicles, which are more stringent than federal standards. To address emissions from in-use vehicles, the states have implemented Inspection and Maintenance Programs and aggressive diesel retrofit programs.

States have also exercised their option to opt-in to federal reformulated gasoline as part of their State Implementation Plans (SIPs). To counter growth in vehicle miles traveled, states in the region have included transportation control measure in their SIPs (e.g., improved public transit) and have

implemented many air quality improvement projects through the conformity review process to ensure mobile source emission budgets are met.

The OTC Mobile Source Committee is currently working on additional mobile measures as part of the 2008 ozone standard regional attainment planning process. It is supporting the adoption of national measures in areas where the states are pre-empted from taking action. For example, it has submitted a letter of support for the ocean going vessels Emission Control Areas (ECA) designation to reduce emissions from port areas. And it has encouraged EPA to issue guidance from EPA on its Aftermarket Catalyst Replacement Standards policy. The OTC is also advocating for EPA to address backsliding with regard to the Renewable Fuel Standard (RFS), to ensure that phase 2 of the program does not further exacerbate criteria pollutant impacts that have occurred in Phase 1 of the program.

Other mobile measures that are under review in the OTC and NESCAUM states are:

- Offshore lightering for ships (VOC reductions)
- Seaports strategy (PM strategy primarily)
- Adoption and enforcement of non-road idling requirements (VOC, NO_x and GHG reductions)
- Regional fuel for OTC states/areas that have not yet adopted RFG (i.e. large parts of PA and NY)
- Heavy duty diesel strategies such as Inspection and Maintenance Programs for Diesels and expansion of diesel retrofit programs
- Additional VMT-reduction strategies that will result in ozone precursor and GHG reductions

In the context of Greenhouse Gas Emissions, the OTC states have been involved in numerous actions that will result in the overall reduction of ozone precursors as well as GHG emissions. The litigation of *Mass v. EPA*, joined by many OTC states, and the active support of OTC-member states for the integration of motor vehicle efficiency standards and GHG emission standards into a new federal policy endorsed by President Obama are examples. The RGGI States, with PA, are also working on the development of a low carbon fuel standard (LCFS), including the potential to improve the infrastructure for electric vehicles that may be part of that strategy, and smart growth/VMT and land use measures to reduce mobile emissions.

Appendix I – EGU Rates

Assessment 1

The methodology applied by the OTC Multi-P Workgroup and used for this assessment is included the assumptions in Table 1-1 below:

Table I-1. Control Assumptions for the Methodology Applied by the OTC Multi-P Workgroup

| | EGU Size | | | | Emission reduction assumed | |
|-----------------|-----------------|--|--|---------------------|--|---|
| | 25MW- <100MW | 100MW- <200MW <50% input capacity | 100MW- <200MW >50% input capacity | 200MW or greater | For EGUs with existing “assumed” add-on controls | For EGUs applying “new” add-on controls |
| NOx | SNCR | SNCR | SCR | SCR | Remains same as 2008 controlled level | 90% SCR 355 SNCR 55% SNCR to SCR increment |
| SO ₂ | DSI | DSI | FGD | FGD | Remains same as 2008 controlled level | 95% FGD 60% DSI |

Control Technologies: DSI (Duct Sorbent Injection); FGD (Flue Gas Desulfurization); SCR (Selective Catalytic Reduction); SNCR (Selective Non-Catalytic Reduction)

* For EGUs identified as already incorporating the technology applied in the OTC Multi-P Workgroup’s methodology their NOx emission rates were assumed to remain the same as their 2008 Ozone Season controlled emission rates and their SO₂ emission rates were assumed to remain the same as their annual 2008 controlled emission rates.

**For each NOx and SO₂ control technology a 0.06 lb/MMBTU “basement” level (i.e., maximum control level) was assumed.

Based on the above assumptions, the “predicted” statewide average ozone season NOx emission rates are shown below:

Table I-2. All Coal

| State | Predicted NOx Mass | 2008 O.S. Heat Input | Predicted Avg NOx Rate | State | Predicted NOx Mass | 2008 O.S. Heat Input | Predicted Avg NOx Rate |
|-------|--------------------------|-------------------------|------------------------------|-------|--------------------------|-------------------------|------------------------------|
| CT | 395 | 13,163,750 | 0.0600 | IL | 13,297 | 443,240,475 | 0.0600 |
| DE | 1,863 | 20,145,049 | 0.1850 | IN | 12,814 | 427,135,645 | 0.0600 |
| MA | 1,569 | 40,324,189 | 0.0778 | MI | 12,645 | 208,348,933 | 0.1214 |
| MD | 5,345 | 112,279,215 | 0.0952 | OH | 19,156 | 274,909,447 | 0.1394 |
| NH | 1,754 | 15,347,558 | 0.2286 | WI | 34,845 | 627,665,733 | 0.1110 |
| NJ | 2,438 | 30,586,717 | 0.1594 | | | | |
| NY | 4,321 | 76,120,595 | 0.1135 | | | | |
| PA | 25,880 | 446,215,793 | 0.1160 | | | | |
| VA | 6,070 | 119,264,709 | 0.1018 | | | | |

If only coal-fired units with a nameplate rating of 100MW or greater are to be considered, the “predicted” statewide average ozone season NOx emission rates are shown below:

Table I-3. >100 MW Coal

| State | Predicted NOx Mass | 2008 O.S. Heat Input | Predicted Avg NOx Rate | State | Predicted NOx Mass | 2008 O.S. Heat Input | Predicted Avg NOx Rate |
|-------|--------------------|----------------------|------------------------|-------|--------------------|----------------------|------------------------|
| CT | 395 | 13,163,750 | 0.0600 | IL | 12,817 | 417,656,155 | 0.0614 |
| DE | 1,863 | 20,145,049 | 0.1850 | IN | 23,368 | 492,447,671 | 0.0949 |
| MA | 1,298 | 35,899,623 | 0.0723 | MI | 13,082 | 278,933,070 | 0.0938 |
| MD | 5,127 | 110,241,907 | 0.0930 | OH | 26,348 | 519,802,282 | 0.1014 |
| NH | 1,362 | 11,735,819 | 0.2321 | WI | 7,293 | 185,704,212 | 0.0785 |
| NJ | 2,284 | 29,350,532 | 0.1556 | | | | |
| NY | 3,828 | 68,614,070 | 0.1116 | | | | |
| PA | 24,430 | 430,902,559 | 0.1134 | | | | |
| VA | 4,918 | 107,929,830 | 0.0911 | | | | |

Based on the above assumptions, the “predicted” statewide average annual SO2 emission rates for all coal-fired EGUs are shown below:

Table I-4. All Coal

| State | SO ₂ Mass | Heat Input | SO ₂ Rate | State | SO ₂ Mass | Heat Input | SO ₂ Rate |
|-------|----------------------|---------------|----------------------|-------|----------------------|---------------|----------------------|
| CT | 915 | 30,494,774 | 0.0600 | IL | 52,260 | 1,032,913,414 | 0.1012 |
| DE | 6,877 | 53,729,573 | 0.2560 | IN | 184,979 | 1,183,751,273 | 0.3125 |
| MA | 15,976 | 101,700,315 | 0.3142 | MI | 30,911 | 714,421,520 | 0.0865 |
| MD | 12,891 | 255,974,177 | 0.1007 | OH | 149,190 | 1,291,957,283 | 0.2310 |
| NH | 3,560 | 38,335,281 | 0.1857 | WI | 21,100 | 453,687,252 | 0.0930 |
| NJ | 4,226 | 62,812,030 | 0.1346 | | | | |
| NY | 20,848 | 181,042,512 | 0.2303 | | | | |
| PA | 133,087 | 1,068,514,484 | 0.2491 | | | | |
| VA | 18,790 | 279,184,954 | 0.1346 | | | | |

If only coal-fired units with a nameplate rating of 100MW or greater are to be considered, the “predicted” statewide average annual SO2 emission rates are shown below:

Table I-5. >100 MW Coal

| State | SO ₂ Mass | Heat Input | SO ₂ Rate | State | SO ₂ Mass | Heat Input | SO ₂ Rate |
|-------|----------------------|---------------|----------------------|-------|----------------------|---------------|----------------------|
| CT | 915 | 30,494,774 | 0.0600 | IL | 42,489 | 991,323,073 | 0.0857 |
| DE | 6,877 | 53,729,573 | 0.2560 | IN | 159,449 | 1,149,099,381 | 0.2775 |
| MA | 14,861 | 93,738,547 | 0.3171 | MI | 21,018 | 653,861,186 | 0.0643 |
| MD | 11,412 | 250,831,639 | 0.0910 | OH | 130,335 | 1,241,187,821 | 0.2100 |
| NH | 1,565 | 30,332,534 | 0.1032 | WI | 15,199 | 432,619,948 | 0.0703 |
| NJ | 3,582 | 59,793,990 | 0.1198 | | | | |
| NY | 15,695 | 160,893,978 | 0.1951 | | | | |
| PA | 119,772 | 1,034,993,798 | 0.2314 | | | | |
| VA | 15,312 | 250,443,277 | 0.1223 | | | | |

Assessment 2

Table I-6. NOx Table

| State | NOx Tons | NOx Rate | 0.125 | Red. 0.125 | % Red. 0.125 | 0.1 | Red. 0.10 | % Red. 0.10 | 0.07 | Red. 0.07 | % Red. 0.07 | Heat Input |
|-------------------------|-------------|-------------|--------|---------------|--------------------|--------|--------------|-------------------|--------|--------------|-------------------|-------------|
| IL | 119967 | 0.226 | 66295 | 53672 | 45 | 53036 | 66931 | 56 | 37125 | 82842 | 69 | 1060713465 |
| IN | 196135 | 0.306 | 80199 | 115935 | 59 | 64159 | 131975 | 67 | 44912 | 151223 | 77 | 1283188639 |
| MI | 103474 | 0.275 | 46998 | 56476 | 55 | 37598 | 65875 | 64 | 26319 | 77155 | 75 | 751966181 |
| OH | 235126 | 0.355 | 82817 | 152309 | 65 | 66254 | 168872 | 72 | 46378 | 188749 | 80 | 1325072026 |
| WI | 47343 | 0.190 | 31099 | 16244 | 34 | 24879 | 22464 | 47 | 17415 | 29927 | 63 | 497577808 |
| LADCO TOTAL | 702043 | 0.285 | 307407 | 394636 | 56 | 245926 | 456117 | 65 | 172148 | 529895 | 75 | 4918518119 |
| | | | | | | | | | | | | |
| PA | 175218 | 0.286 | 76626 | 98592 | 56 | 61301 | 113917 | 65 | 42911 | 132308 | 76 | 1226016925 |
| NY | 30871 | 0.109 | 30871 | 0 | 0 | 28384 | 2487 | 8 | 19869 | 11002 | 36 | 567686169 |
| NJ | 9143 | 0.096 | 9143 | 0 | 0 | 9143 | 0 | 0 | 6659 | 2483 | 27 | 190267033 |
| MD | 35922 | 0.263 | 17048 | 18875 | 53 | 13638 | 22284 | 62 | 9547 | 26376 | 73 | 272761427 |
| VA | 43017 | 0.237 | 22652 | 20365 | 47 | 18122 | 24895 | 58 | 12685 | 30332 | 71 | 362431406 |
| MA | 9353 | 0.068 | 9353 | 0 | 0 | 9353 | 0 | 0 | 9353 | 0 | 0 | 274620434 |
| NH | 4641 | 0.096 | 4641 | 0 | 0 | 4641 | 0 | 0 | 3373 | 1268 | 27 | 96364833 |
| CT | 3116 | 0.067 | 3116 | 0 | 0 | 3116 | 0 | 0 | 3116 | 0 | 0 | 92717786 |
| DE | 8936 | 0.279 | 4003 | 4934 | 55 | 3202 | 5734 | 64 | 2241 | 6695 | 75 | 64042015 |
| ME | 680 | 0.022 | 680 | 0 | 0 | 680 | 0 | 0 | 680 | 0 | 0 | 61863689 |
| DC | 94 | 0.280 | 42 | 52 | 55 | 33 | 60 | 64 | 23 | 70 | 75 | 668330 |
| RI | 462 | 0.017 | 462 | 0 | 0 | 462 | 0 | 0 | 462 | 0 | 0 | 55392442 |
| VT | 296 | 0.140 | 263 | 32 | 11 | 211 | 85 | 29 | 147 | 148 | 50 | 4214041 |
| OTC TOTAL | 321749 | 0.197 | 204315 | 117434 | 36 | 163452 | 158297 | 49 | 114417 | 207333 | 64 | 3269046530 |
| | | | | | | | | | | | | |
| AL | 112614 | 0.240 | 58697 | 53917 | 48 | 46958 | 65656 | 58 | 32870 | 79744 | 71 | 939155771 |
| FL | 155451 | 0.197 | 98770 | 56681 | 36 | 79016 | 76435 | 49 | 55311 | 100140 | 64 | 1580319063 |
| GA | 105894 | 0.221 | 59900 | 45994 | 43 | 47920 | 57974 | 55 | 33544 | 72350 | 68 | 958401269 |
| KY | 157847 | 0.319 | 61918 | 95929 | 61 | 49535 | 108312 | 69 | 34674 | 123173 | 78 | 990691497 |
| MS | 41917 | 0.237 | 22110 | 19807 | 47 | 17688 | 24229 | 58 | 12381 | 29535 | 70 | 353752142 |
| NC | 54652 | 0.144 | 47283 | 7369 | 13 | 37826 | 16826 | 31 | 26478 | 28174 | 52 | 756524591 |
| SC | 42045 | 0.190 | 27615 | 14430 | 34 | 22092 | 19953 | 47 | 15465 | 26581 | 63 | 441843531 |
| TN | 85543 | 0.294 | 36392 | 49151 | 57 | 29114 | 56430 | 66 | 20380 | 65164 | 76 | 582275154 |
| WV | 97331 | 0.228 | 53329 | 44002 | 45 | 42663 | 54668 | 56 | 29864 | 67467 | 69 | 853266499 |
| Other State Total | 853294 | 0.229 | 466014 | 387280 | 45 | 372811 | 480483 | 56 | 260968 | 592326 | 69 | 7456229518 |
| | | | | | | | | | | | | |
| TOTAL | 1877087 | 0.240 | 977737 | 899350 | 48 | 782190 | 1094897 | 58 | 547533 | 1329554 | 71 | 15643794167 |

Table I-7. SO2 Table

| State | SO2 tons | SO2 Rate | 0.3 | Red. 0.3 | % Red.0.3 | 0.23 | Red. 0.23 | % Red. 0.23 | 0.2 | Red. 0.20 | % Red. 0.20 | 0.15 | Red. 0.15 | % Red. 0.15 | Heat Input |
|-------------------|----------|----------|---------|----------|-----------|---------|-----------|-------------|---------|-----------|-------------|---------|-----------|-------------|-------------|
| IL | 257431 | 0.485 | 159107 | 98324 | 38 | 121982 | 135449 | 53 | 106071 | 151360 | 59 | 79554 | 177877 | 69 | 1060713465 |
| IN | 593154 | 0.925 | 192478 | 400676 | 68 | 147567 | 445587 | 75 | 128319 | 464835 | 78 | 96239 | 496915 | 84 | 1283188639 |
| MI | 326501 | 0.868 | 112795 | 213706 | 65 | 86476 | 240024 | 74 | 75197 | 251304 | 77 | 56397 | 270103 | 83 | 751966181 |
| OH | 709995 | 1.072 | 198761 | 511234 | 72 | 152383 | 557611 | 79 | 132507 | 577487 | 81 | 99380 | 610614 | 86 | 1325072026 |
| WI | 129695 | 0.521 | 74637 | 55058 | 42 | 57221 | 72473 | 56 | 49758 | 79937 | 62 | 37318 | 92376 | 71 | 497577808 |
| LADCO TOTAL | 2016775 | 0.820 | 737778 | 1278997 | 63 | 565630 | 1451145 | 72 | 491852 | 1524923 | 76 | 368889 | 1647886 | 82 | 4918518119 |
| | | | | | | | | | | | | | | | |
| PA | 831915 | 1.357 | 183903 | 648012 | 78 | 140992 | 690923 | 83 | 122602 | 709313 | 85 | 91951 | 739964 | 89 | 1226016925 |
| NY | 65427 | 0.231 | 65427 | 0 | 0 | 65284 | 143 | 0 | 56769 | 8658 | 13 | 42576 | 22850 | 35 | 567686169 |
| NJ | 21204 | 0.223 | 21204 | 0 | 0 | 21204 | 0 | 0 | 19027 | 2177 | 10 | 14270 | 6934 | 33 | 190267033 |
| MD | 227198 | 1.666 | 40914 | 186283 | 82 | 31368 | 195830 | 86 | 27276 | 199921 | 88 | 20457 | 206740 | 91 | 272761427 |
| VA | 125985 | 0.695 | 54365 | 71620 | 57 | 41680 | 84306 | 67 | 36243 | 89742 | 71 | 27182 | 98803 | 78 | 362431406 |
| MA | 46347 | 0.338 | 41193 | 5154 | 11 | 31581 | 14766 | 32 | 27462 | 18885 | 41 | 20597 | 25751 | 56 | 274620434 |
| NH | 36895 | 0.766 | 14455 | 22440 | 61 | 11082 | 25813 | 70 | 9636 | 27259 | 74 | 7227 | 29668 | 80 | 96364833 |
| CT | 3955 | 0.085 | 3955 | 0 | 0 | 3955 | 0 | 0 | 3955 | 0 | 0 | 3955 | 0 | 0 | 92717786 |
| DE | 31808 | 0.993 | 9606 | 22202 | 70 | 7365 | 24444 | 77 | 6404 | 25404 | 80 | 4803 | 27005 | 85 | 64042015 |
| ME | 1041 | 0.034 | 1041 | 0 | 0 | 1041 | 0 | 0 | 1041 | 0 | 0 | 1041 | 0 | 0 | 61863689 |
| DC | 212 | 0.634 | 100 | 111 | 53 | 77 | 135 | 64 | 67 | 145 | 68 | 50 | 162 | 76 | 668330 |
| RI | 18 | 0.001 | 18 | 0 | 0 | 18 | 0 | 0 | 18 | 0 | 0 | 18 | 0 | 0 | 55392442 |
| VT | 2 | 0.001 | 2 | 0 | 0 | 2 | 0 | 0 | 2 | 0 | 0 | 2 | 0 | 0 | 4214041 |
| OTC TOTAL | 1392007 | 0.852 | 436183 | 955825 | 69 | 355648 | 1036359 | 74 | 326905 | 1065102 | 77 | 245178 | 1146829 | 82 | 3269046530 |
| | | | | | | | | | | | | | | | |
| AL | 357547 | 0.761 | 140873 | 216673 | 61 | 108003 | 249544 | 70 | 93916 | 263631 | 74 | 70437 | 287110 | 80 | 939155771 |
| FL | 263745 | 0.334 | 237048 | 26697 | 10 | 181737 | 82008 | 31 | 158032 | 105713 | 40 | 118524 | 145221 | 55 | 1580319063 |
| GA | 514539 | 1.074 | 143760 | 370779 | 72 | 110216 | 404323 | 79 | 95840 | 418699 | 81 | 71880 | 442659 | 86 | 958401269 |
| KY | 344356 | 0.695 | 148604 | 195753 | 57 | 113930 | 230427 | 67 | 99069 | 245287 | 71 | 74302 | 270055 | 78 | 990691497 |
| MS | 65317 | 0.369 | 53063 | 12254 | 19 | 40681 | 24635 | 38 | 35375 | 29941 | 46 | 26531 | 38785 | 59 | 353752142 |
| NC | 227030 | 0.600 | 113479 | 113551 | 50 | 87000 | 140030 | 62 | 75652 | 151378 | 67 | 56739 | 170291 | 75 | 756524591 |
| SC | 157190 | 0.712 | 66277 | 90914 | 58 | 50812 | 106378 | 68 | 44184 | 113006 | 72 | 33138 | 124052 | 79 | 441843531 |
| TN | 208069 | 0.715 | 87341 | 120728 | 58 | 66962 | 141107 | 68 | 58228 | 149842 | 72 | 43671 | 164398 | 79 | 582275154 |
| WV | 301574 | 0.707 | 127990 | 173584 | 58 | 98126 | 203449 | 67 | 85327 | 216248 | 72 | 63995 | 237579 | 79 | 853266499 |
| Other State Total | 2439368 | 0.654 | 1118434 | 1320933 | 54 | 857466 | 1581901 | 65 | 745623 | 1693745 | 69 | 559217 | 1880150 | 77 | 7456229518 |
| | | | | | | | | | | | | | | | |
| TOTAL | 5848149 | 0.748 | 2292395 | 3555755 | 61 | 1778744 | 4069405 | 70 | 1564379 | 4283770 | 73 | 1173285 | 4674865 | 80 | 15643794167 |

LADCO Analysis

Based on this plant-level, unit-level analysis of coal-fired units, the LADCO States identified the following achievable annual average emission rates:

Table I-8. NO_x and SO₂ Analysis

| NO_x | | | | | |
|-----------------------|-----------------|----------------|-----------------|-------------|------------------|
| Year | Illinois | Indiana | Michigan | Ohio | Wisconsin |
| 2008 | 0.23 | 0.305 | 0.29 | 0.36 | 0.21 |
| 2013 | 0.11 – 0.12 | 0.297 | 0.18 | 0.24 | 0.13 |
| 2014 | 0.11 – 0.12 | 0.171 | 0.15 | 0.18 | 0.12 |
| 2015 | 0.11 – 0.12 | 0.165 | 0.13 | 0.17 | 0.10 |
| 2017 | 0.11 – 0.12 | 0.114 | 0.11 | 0.12 | 0.09 |
| | | | | | |
| SO₂ | | | | | |
| Year | | | | | |
| 2008 | 0.50 | 0.93 | 0.91 | 1.09 | 0.57 |
| 2013 | 0.24 – 0.44 | 0.67 | 0.58 | 0.75 | 0.39 |
| 2014 | 0.20 -0.43 | 0.66 | 0.45 | 0.65 | 0.39 |
| 2015 | 0.19 – 0.28 | 0.66 | 0.37 | 0.65 | 0.25 |
| 2017 | 0.15 – 0.23 | 0.25 | 0.25 | 0.256 | 0.16 |

It should be noted that the analysis is based on coal-fired units. Consideration of all units (coal, oil, gas, and biomass) will result in emission rates slightly below those indicated above.

The number of post-combustion controls assumed in this analysis is provided below. The total amount of mega-wattage controlled in each state is on the order of 80-90%.

Table I-9. Analysis of Post-combustion Controls by Year

| | NO_x | | | | | | | | | | | | | | | SO₂ | | | | |
|------|-----------------------|----|----|----|----|-------------|----|----|----|----|------------|----|----|----|----|-----------------------|----|----|----|----|
| | SCR | | | | | SNCR | | | | | ALL | | | | | FGD | | | | |
| | IL | IN | MI | OH | WI | IL | IN | MI | OH | WI | IL | IN | MI | OH | WI | IL | IN | MI | OH | WI |
| 2008 | | 23 | 3 | 19 | 1 | | 4 | 0 | 15 | 1 | 17 | 27 | 3 | 34 | 2 | 6 | 23 | 2 | 16 | 1 |
| 2013 | | 23 | 7 | 25 | 5 | | 7 | 0 | 11 | 8 | 32 | 30 | 7 | 36 | 13 | 20 | 29 | 7 | 25 | 6 |
| 2014 | | 23 | 12 | 26 | 5 | | 7 | 0 | 11 | 8 | 34 | 30 | 12 | 37 | 13 | 29 | 29 | 12 | 33 | 6 |
| 2015 | | 23 | 17 | 27 | 5 | | 17 | 0 | 11 | 15 | 36 | 40 | 17 | 38 | 20 | 35 | 29 | 17 | 33 | 6 |
| 2017 | | 32 | 25 | 34 | 8 | | 17 | 0 | 14 | 15 | 36 | 49 | 27 | 48 | 23 | 37 | 48 | 27 | 41 | 13 |

Note: IL and OH numbers reflect number of units controlled, and IN and WI numbers reflect number of installations (which may cover several units).

APPENDIX II – Timing

Example 1: Case Study

Maryland Healthy Air Act Deadlines and the Installation of Control Equipment

BACKGROUND

In April of 2006, the Maryland General Assembly adopted the Maryland Healthy Air Act. The bill was signed into law on April 6, 2006. In general, the law required significant reductions in Nitrogen Oxides (NO_x), Sulfur Dioxide (SO₂) and Mercury (HG) from electricity generating units (EGUs) in Maryland. It also required Maryland to join the Regional Greenhouse Gas Initiative (RGGI), the first cap-and-trade program to tackle CO₂ in the Country.

Portions of Maryland are nonattainment for the federal Ozone and PM_{2.5} Standards. NO_x reductions were a critical part of Maryland's plan to reduce ground level ozone. Reductions in SO₂ and NO_x are both important to the States plans to lower fine particle levels. Maryland also had multiple issues with mercury and the Chesapeake Bay.

The Healthy Air Act was driven by the concept that the emission reductions from the Healthy Air Act would be important to the States own efforts to solve its air quality problems. It did, however, recognize that Maryland had a responsibility under the Clean Air Act to reduce pollution to also help downwind neighbors.

The implementing regulations were put on a fast track and were adopted on January 18th, 2007.

The Healthy Air Act includes two phases of reductions: 2009 and 2012 for NO_x and 2010 and 2012 for SO₂ and mercury. Table 1 below summarizes the additional NO_x and SO₂ reductions required in 2009, 2010, 2012 and 2013.

Table 1
Maryland Healthy Air Act Emission Reductions

| | 2009 | 2010 | 2012 | 2013 |
|-----------------|------|------|------|------|
| NO _x | 70% | | 75% | |
| SO ₂ | | 80% | | 85% |
| Mercury | | 80% | | 90% |

Because of pre-2006 control programs like the OTC NO_x Budget Rule, total NO_x reductions from Maryland EGUs between 1990 and 2012 are estimated to be over 85%.

THE DEADLINES

While the Healthy Air Act was being debated, there was considerable concern raised over the issue of timing. In general, Maryland's two major power generators argued that the 2 years to install NO_x controls and the 2 ½ to 3 years to install SO₂ and Mercury controls were a huge and perhaps impossible challenge. Over 60% of Maryland's electricity comes from coal.

Maryland's largest generator (3 plants – 9 units) argued that the only feasible way to install the controls required by the Healthy Air Act was to go in series (plant-by-plant) and that a plant-by-plant approach could take over 6 years.

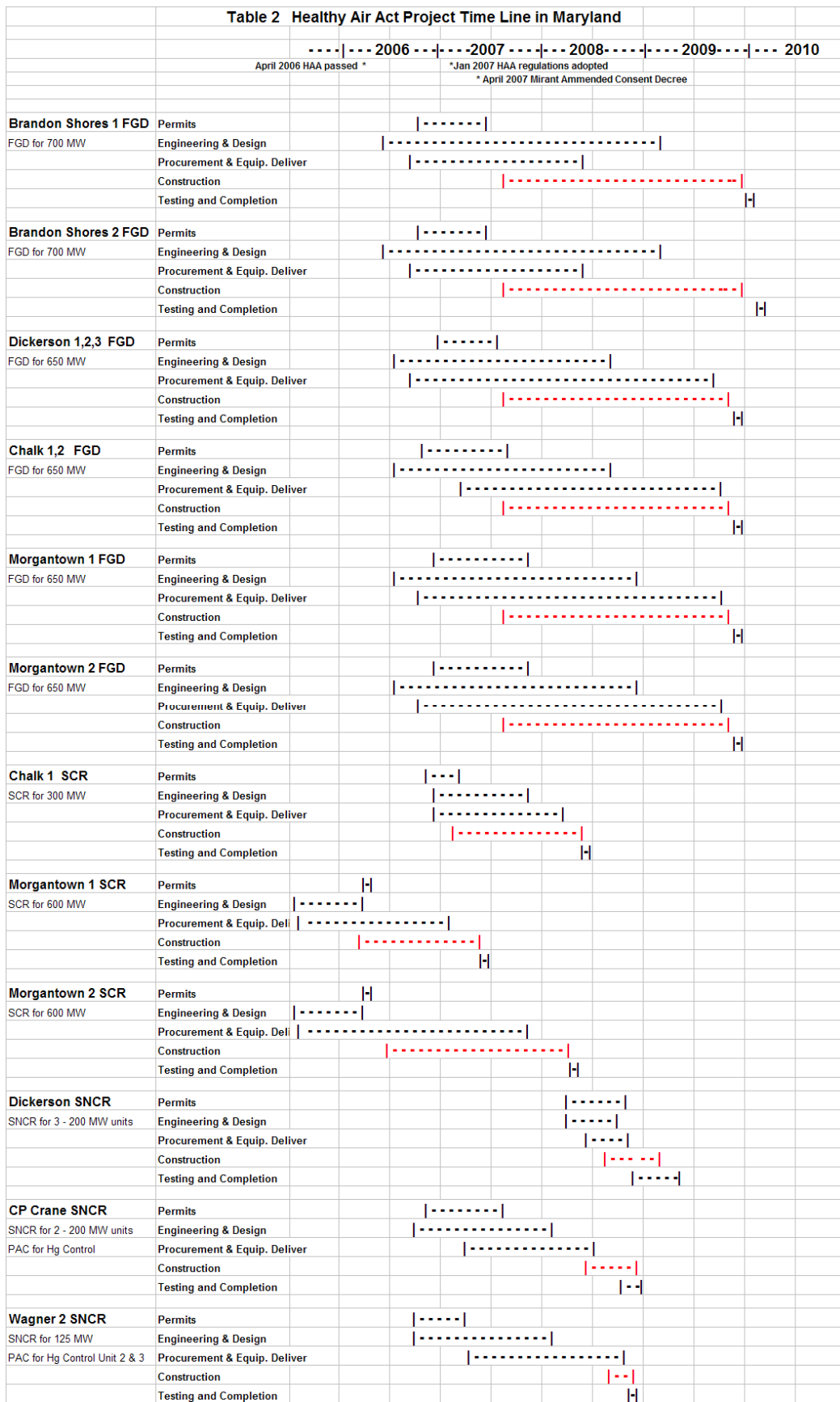
As a result of this debate, the law included several waiver provisions to allow affected sources more time, without penalty, if such delays could be justified. For Phase 1 (2009 for NO_x and 2010 for SO₂ and HG) there have been no requests for waivers. Both of Maryland's major generators have installed their controls in parallel, not in series (plant-by-plant).

Because of the Healthy Air Act, by 2010, over \$2 Billion will have been invested in new control equipment (6 scrubbers, 3 SCRs, 6 SNCRs). Four SCRs and numerous combustion modifications had been installed on coal fired power plants in the Maryland prior to the Healthy Air Act.

Table 2 below summarizes the planning and installation schedules for the six largest plants in the State.

Construction schedules for the FGD ran approximately 28 months each. Engineering economies were realized by using the same size FGD for the four Mirant installations. While the number of units served by each FGD in the three plants in the Mirant system varied, the total MW of capacity feeding each FGD was approximately the same at about 600 MW. This allowed the same engineering design to be used for each FGD. The two FGD at Brandon Shores are also identical to each other.

While the use of two FGD designs assisted with the timely completion of the six projects, material handling design and ductwork to and from the FGDs were different at each site. Three of the FGD projects had to deal with SCR construction occurring simultaneous to the FGD construction, and accommodations for crane availability had to be carefully scheduled. All of the FGD's required new stacks with fiber glass liners. The liners were constructed on site and the equipment installed to fabricate the liners the required permits to construct from MDE.



OTHER MID-ATLANTIC STATES

Between 2006 and 2009 there were other very significant efforts taking place in the Mid-Atlantic area to add scrubbers, SCRs and SNCRs. Because of state programs and the Clean Air Interstate Rule (CAIR), Virginia, New Jersey, Delaware, West Virginia and North Carolina all had significant control technology installation efforts taking place between 2006 and 2009.

CONCLUSION

With the appropriate regulatory structure, very significant pollution control systems, including FGDs, SCRs and SNCRs, can be installed in multiple plants owned by the same company, in parallel, in a relatively short timeframe.

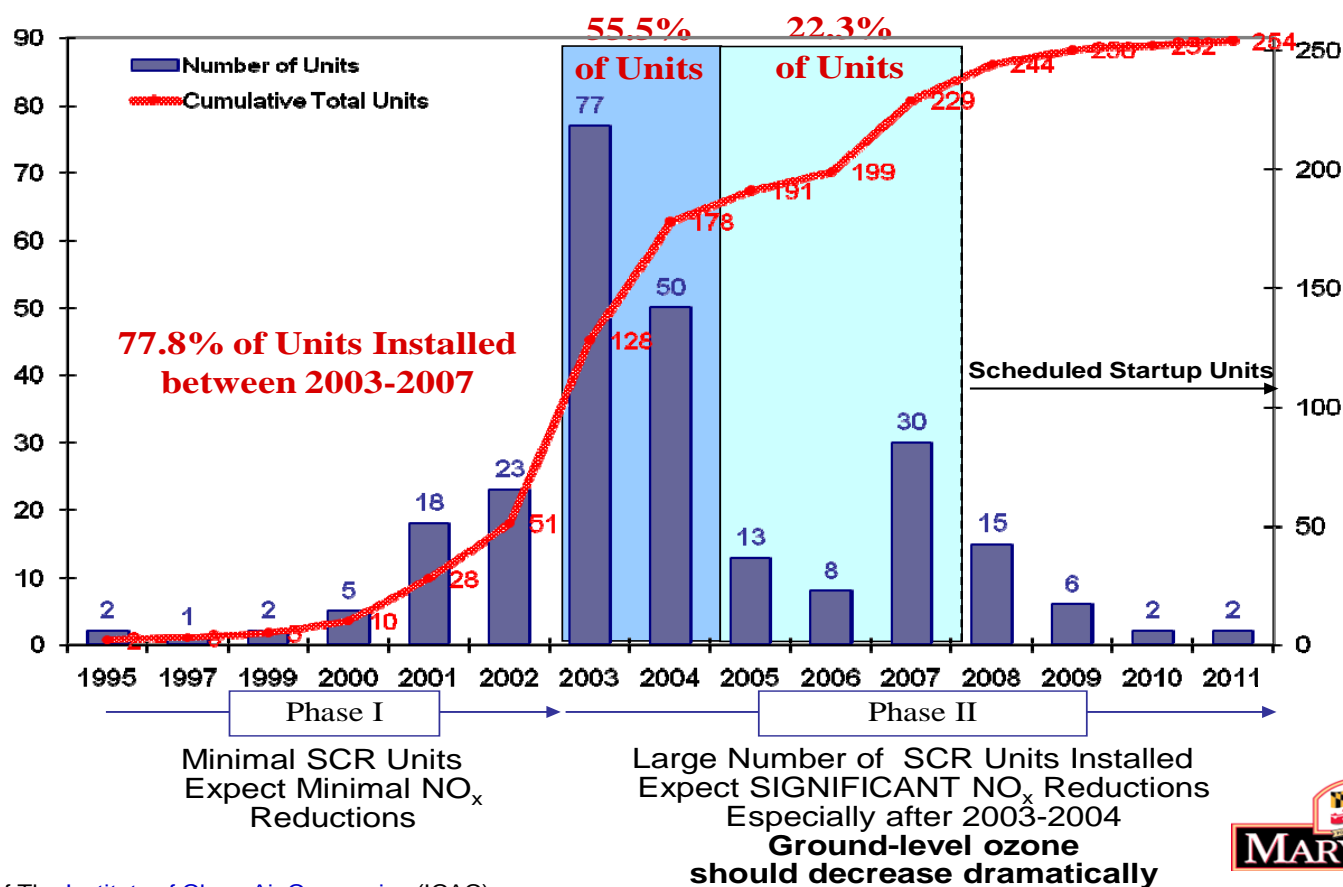
Supplemental Information:

- Law: <http://mlis.state.md.us/2006rs/bills/sb/sb0154e.pdf>
- Regulation: http://www.mde.state.md.us/assets/document/26-11-27_MD_Healthy_Air_Act.pdf

Example 2: Installation of SCR Units from EPA's NO_x SIP Call



SCR Units Over Time



Data courtesy of The [Institute of Clean Air Companies](http://www.icac.org) (ICAC).

Appendix III – Cost of Controls

Table III-1. Available Emission Control Devices, Emission Reductions and Estimated Costs¹

| Fuel Type | Pollutant | Available Control Device | Expected Emission Reduction (%) | Control Cost Estimate ^a (\$/ton removed) |
|-----------------------------|-----------------|---|---------------------------------|---|
| <u>Coal-Fired</u> | NO _x | <u>Selective Non-Catalytic Reduction (SNCR)</u> | 45% | \$2,500 - \$3,000 |
| | | <u>Selective Catalytic Reduction (SCR)</u> | 85% | \$1,600 - \$4,900 |
| | SO ₂ | <u>Flue Gas Desulfurization (FGD) system (dry scrubber)</u> <u>Wet FGD system (wet scrubber)</u> | 95% 95% | \$1,500 - \$3,600 \$1,400 - \$3,400 |
| <u>Residual Oil-Fired</u> | NO _x | <u>Low NO_x Burners (LNB)</u> | 50% | \$1,100 - \$4,400 |
| | | <u>LNB plus Flue Gas Recirculation (FGR)</u> | 60% | \$2,600 - \$5,400 |
| | | <u>Selective Non-Catalytic Reduction (SNCR)</u> | 50% | \$3,100 - \$4,000 |
| | | <u>LNB plus SNCR</u> | 65% | \$3,500 - \$6,400 |
| | | <u>Selective Catalytic Reduction (SCR)</u> | 85% | \$2,600 - \$8,300 |
| <u>Distillate Oil-Fired</u> | NO _x | <u>Low NO_x Burners (LNB)</u> | 50% | \$2,200 - \$8,700 |
| <u>Gas-Fired</u> | NO _x | <u>Low NO_x Burners (LNB)</u> | 50% | \$2,200 - \$8,700 |

Note: ^aCost estimates shown are in 2008 dollars for a **250 MMBtu/hr boiler (≈ 73 MW)** operating at 66 percent capacity and operating 8,760 hours per year

¹ New Hampshire Department of Environmental Services (October 2008) Draft ICI Boiler NO_x and SO₂ Control Cost Estimates [PowerPoint slides]. (Andy Bodnarik, 2009)

Table III-2 Stationary and Area Source Measures

| NOx Measure | State Rules | National Measure | Emissions Reduction | Cost |
|--------------------------------------|------------------------|------------------|---------------------|--------------------------------|
| Boilers serving EGUs | DE, NJ, MA, MD | * | 413 TPD OTR | \$1,100 - 8,700 per ton |
| New Small Gas Boilers | CA, TX | * | 53 TPD OTR | \$3,300 to \$16,000 per ton |
| Municipal waste incinerators | NJ, MD | * | 14 TPD OTR | \$2,140 per ton (SNCR) |
| HEDD EGUs | NJ | * | TBD | \$45,000 to \$300,000 per unit |
| Stationary Generator Regulation (DG) | DE, MA, MD, NJ | * | TBD | \$39,700 to \$79,700 per TPD |
| Minor New Source Review | DE, CT, MD, MA, NJ, RI | * | TBD | \$600 to \$18,000 per ton |
| Energy security / Energy efficiency | TBD | * | TBD | TBD |

Table III-3 Stationary and Area Source VOC Measures

| VOC Measure | State Rules | National Measure | Emissions Reduction | Cost |
|-----------------------------|------------------------|------------------|---------------------|-----------------------------|
| AIM rule | CA | * | 50 TPD OTR | \$2,240 per ton |
| Auto Refinishing | CA | * | 21 TPD OTR | \$2,860 per ton |
| Consumer Products 2006 | CA | * | 19 TPD OTR | \$7,700 per ton |
| Lower VOC Solvent Degreaser | MD, CA | * | 13 TPD OTR | \$1,400 per ton |
| Gas Stations | TBD | * | TBD | TBD |
| Large VOC Storage Tanks | MD, NJ | * | TBD | \$2,288 to \$29,000 per ton |
| Minor New Source Review | DE, CT, MD, MA, NJ, RI | * | TBD | TBD |

Appendix IV – Air Quality Benefits

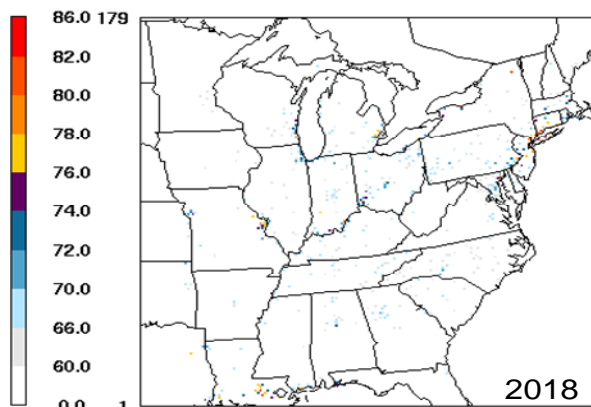
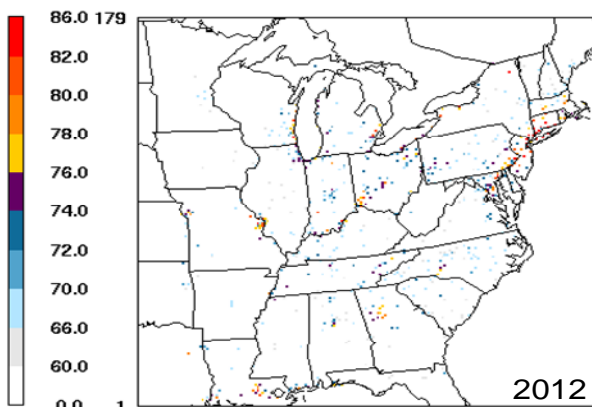
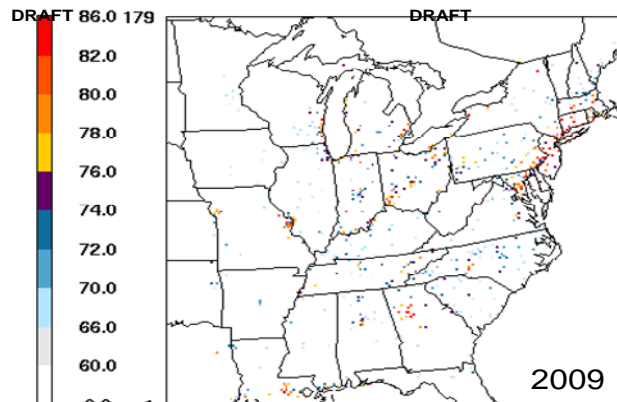
State Collaborative Modeling Results

Ozone 8-Hour Concentrations

DRAFT

| 8-Hour - 0.08 ppm NAAQS (No. of Counties > NAAQS) | | | | |
|---|---------|-----------|-----------|-------|
| | Midwest | Southeast | Northeast | Total |
| 2009 | 1 | 1 | 8 | 10 |
| 2012 | 0 | 0 | 3 | 3 |
| 2018 | 0 | 0 | 0 | 0 |

| 8-Hour - 0.075 ppm NAAQS (No. of Counties > NAAQS) | | | | |
|--|---------|-----------|-----------|-------|
| | Midwest | Southeast | Northeast | Total |
| 2009 | 50 | 31 | 66 | 147 |
| 2012 | 30 | 14 | 45 | 89 |
| 2018 | 8 | 2 | 13 | 23 |

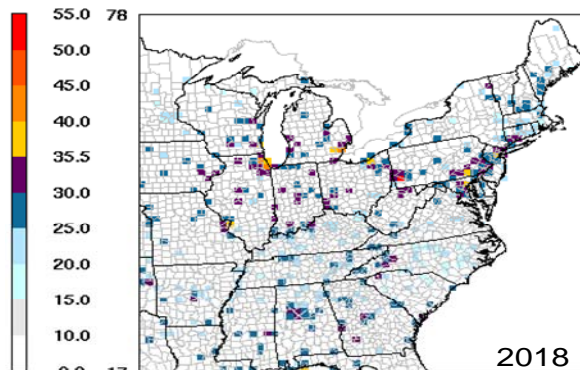
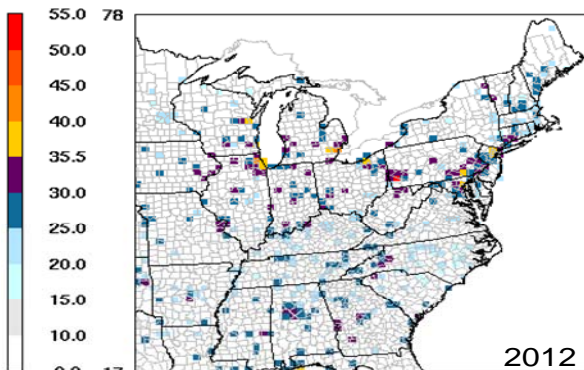
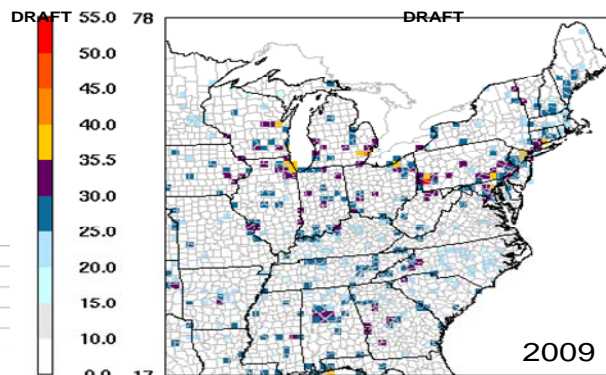


Based on 2005 meteorology

PM_{2.5} Daily Concentrations

DRAFT

| Daily (No. of Counties > NAAQS) | | | | |
|---------------------------------|---------|-----------|-----------|-------|
| | Midwest | Southeast | Northeast | Total |
| 2009 | 6 | 0 | 6 | 12 |
| 2012 | 6 | 0 | 5 | 11 |
| 2018 | 6 | 0 | 4 | 10 |

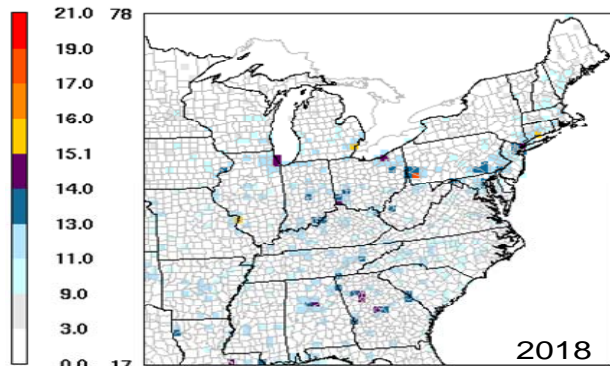
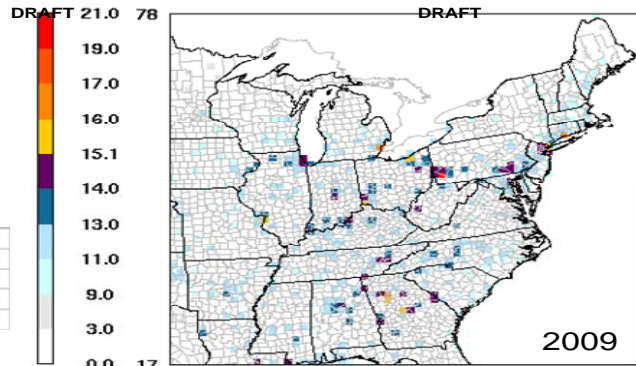
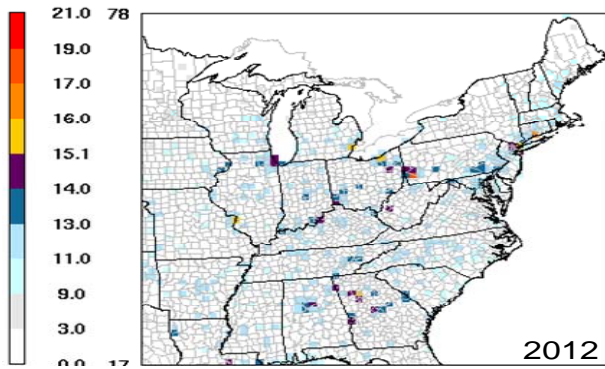


Based on 2005 meteorology

DRAFT

PM_{2.5} Annual Concentrations

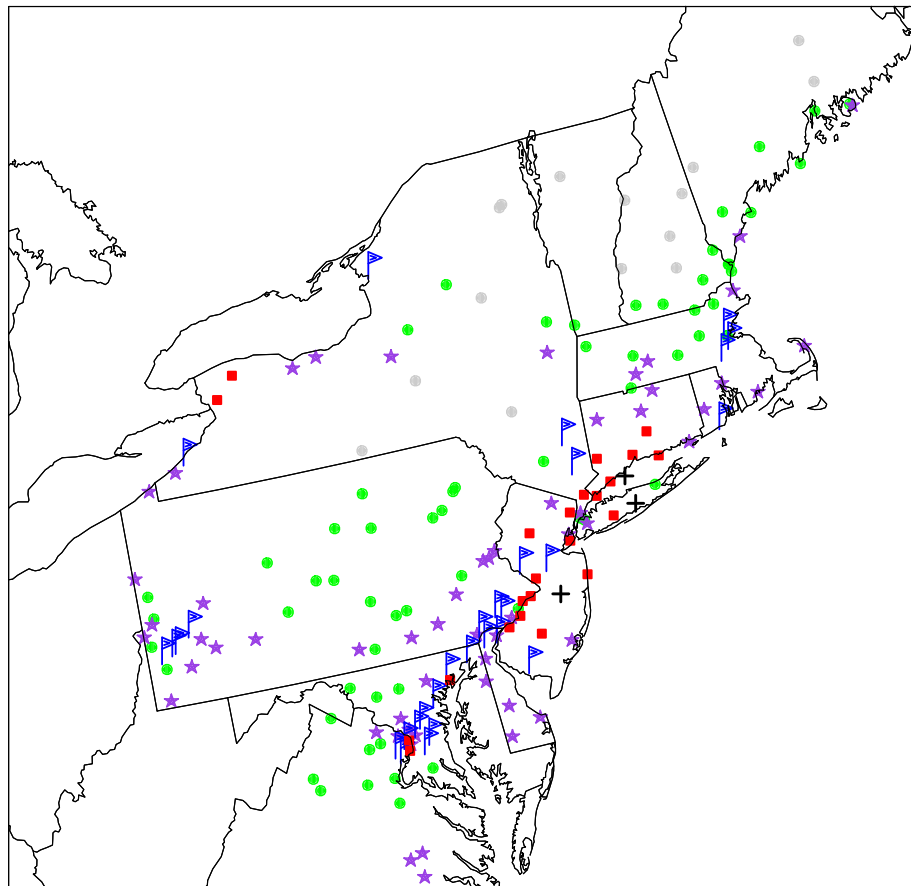
| Annual (No. of Counties > NAAQS) | | | | |
|----------------------------------|---------|-----------|-----------|-------|
| | Midwest | Southeast | Northeast | Total |
| 2009 | 4 | 3 | 2 | 9 |
| 2012 | 3 | 1 | 2 | 6 |
| 2018 | 2 | 0 | 1 | 3 |



Based on 2005 meteorology

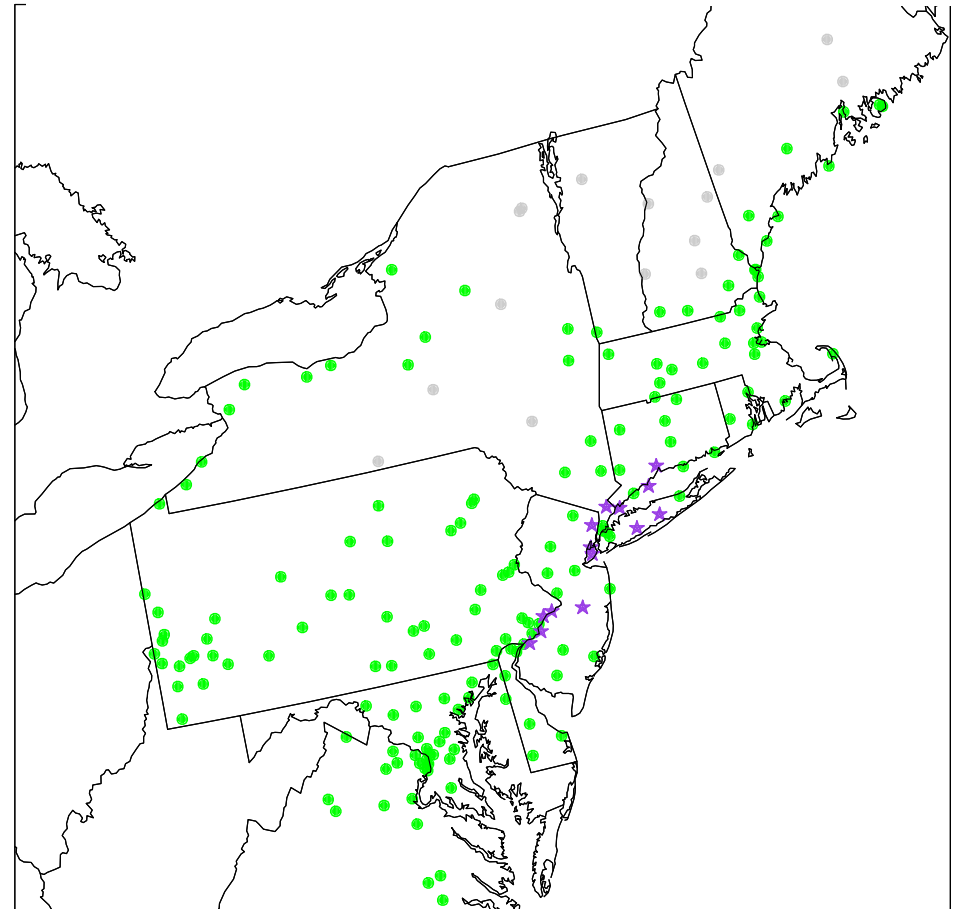
OTC Sensitivity Modeling Runs: 40% NOx Emission Reduction, All Sectors

DVF 2012 BOTB/BOTW "NoCAIR"



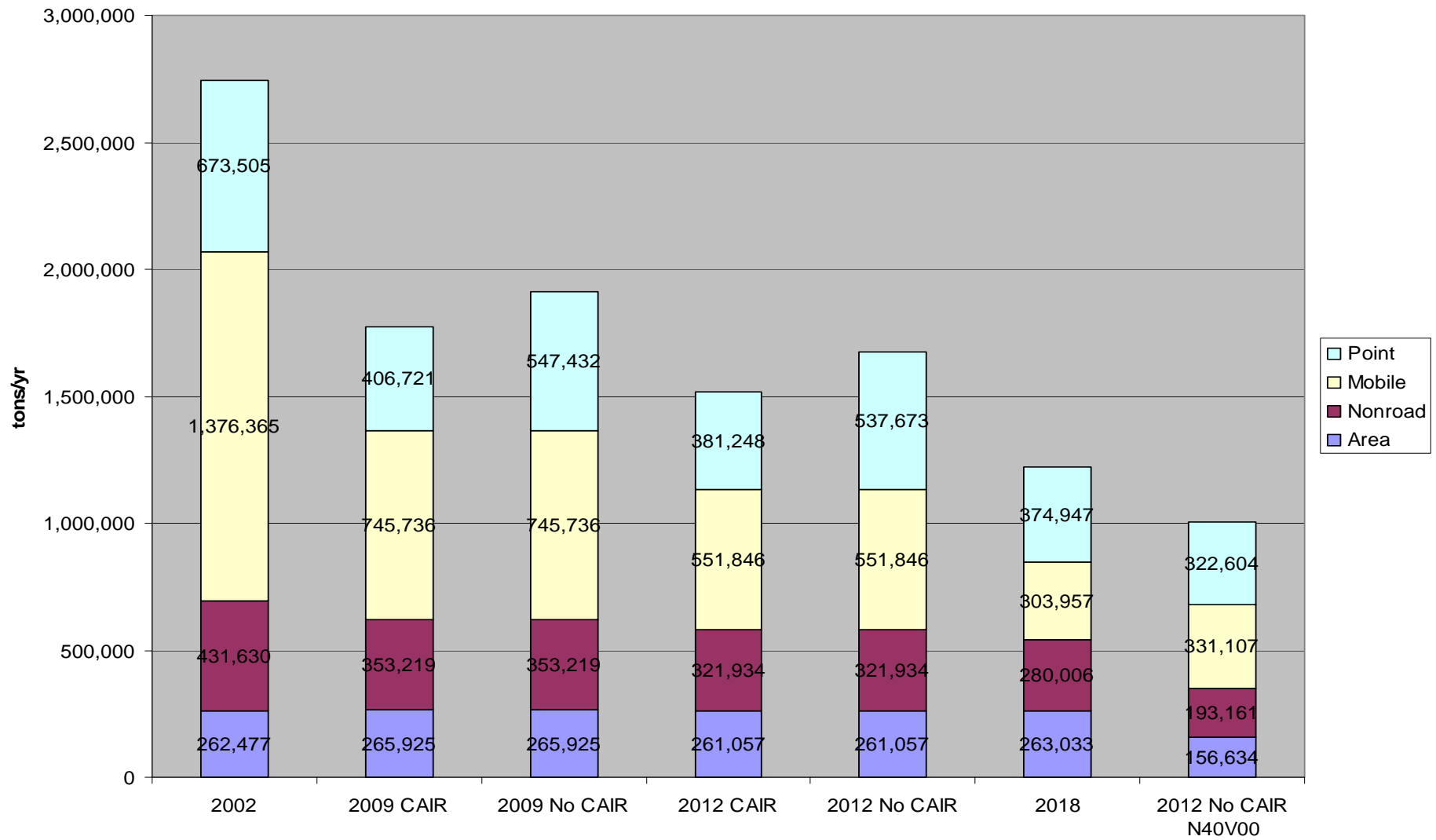
- <71 ppb
- ★ 71 – 75 ppb
- ▶ 76 – 79 ppb
- 80 – 84 ppb
- ✚ >84 ppb
- No RRF Available

DVF 2012 BOTB/BOTW "NOCAIR" Minus 40% Across-the-Board Anthropogenic NOx

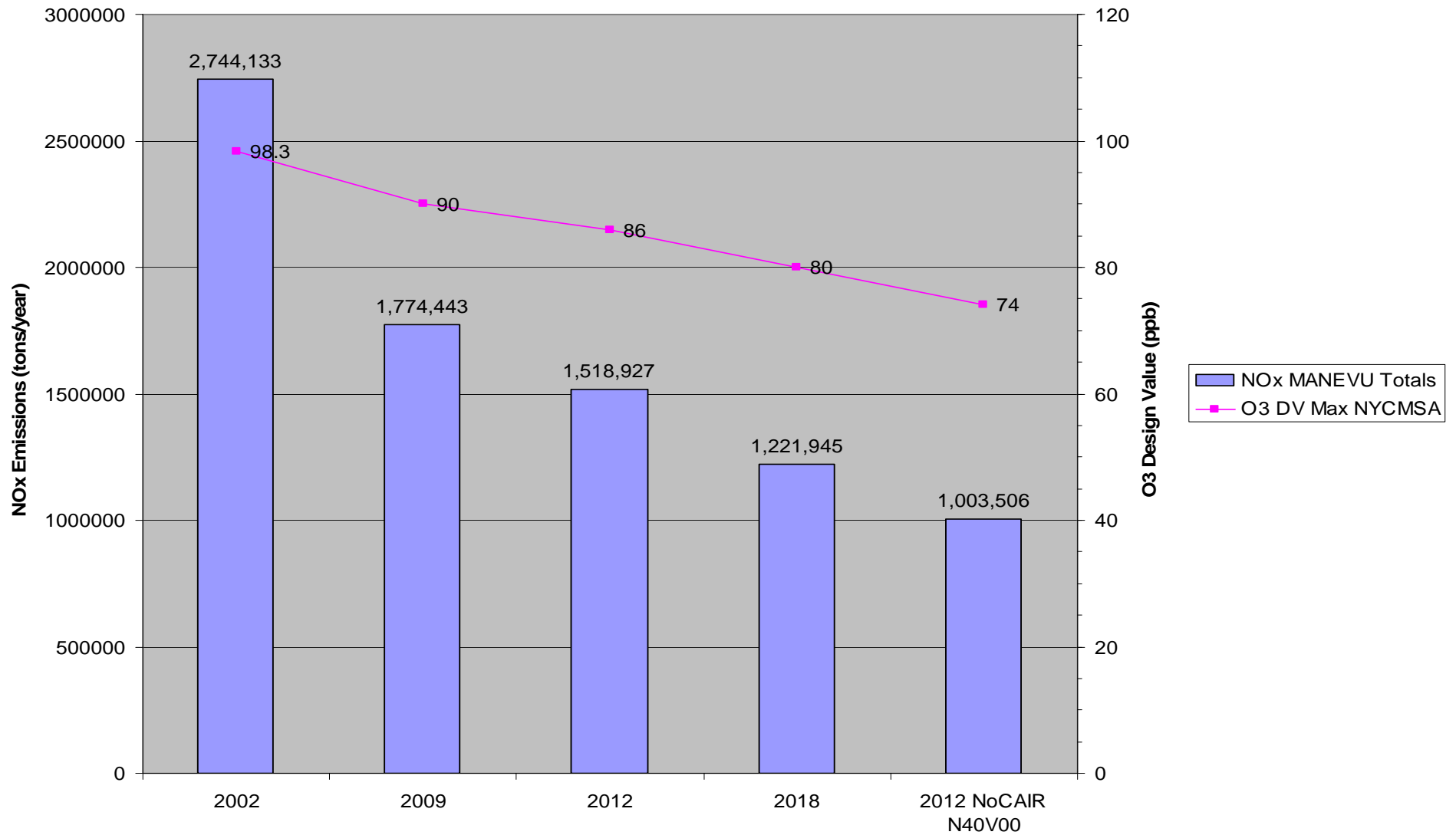


- <71 ppb
- ★ 71 – 75 ppb
- ▶ 76 – 79 ppb
- 80 – 84 ppb
- ✚ >84 ppb
- No RRF Available

MANE-VU **Annual** Total NOx Emissions by Source Category



MANE-VU Annual Total NOx Emissions (All Categories) and Highest O3 8-hr Design Value in the NYCMSA



Appendix V – Other Sectors

Table V-1. Status Report on OTC State Efforts to Promulgate Regulations Based on OTC 2001 Model Rules (as of May 19, 2009)

| | Consumer Products | Architectural and Industrial Maintenance Coatings | Portable Fuel Containers | Mobile Equipment Repair and Refinishing | Solvent Cleaning | Additional NOx Controls | Distributed Generation Standards | State Contacts and Links to Rules |
|------------|---|---|---------------------------------|--|--|------------------------------------|---|--|
| C T | Effective | Effective | Effective | Effective (similar rule) | Effective | Alternative requirements in effect | Effective | Contact: Susan Amarello 860-424-3442 http://www.ct.gov/dep/cwp/view.asp?a=2684&q=331196&depNav_GID=1619 |
| D E | Effective See 2006 rule | Effective | See 2006 rule | Effective | Effective | Effective | Effective 1/11/06 | Contact: Gene Pettingill 302-323-4542 Reg. 24, 41, 42, and 1144 http://www.dnrec.state.de.us/air/aqm_page/regs.htm http://www.dnrec.state.de.us/air/aqm_page/pro_regs.htm |
| D C | Effective | Effective | See 2006 rule | Effective | Effective | NOx RACT Already in place | In progress | (202) 535 |
| M E | Effective | Effective | See 2006 rule | Effective | Effective | | Effective | Contact: Jeff Crawford 207-287-2437 http://www.maine.gov/dep/air/regulations/index.htm |
| M D | Effective (COMAR 26.11.32) | Effective (COMAR 26.11.33) | See 2006 rule | Effective (similar rule) | Effective (similar rule) | In progress | In progress | Contact: Gene Higa 410-631-3353 PFC: Eddie Durant Consumer Products: Husain Waheed 410-537-3240 http://www.dsd.state.md.us/comar/subtitle_chapters/26_Chapters.htm |
| M A | Adopted CP rule (Phase II) 10/19/2007; new standards effective 1/1/2009 | Rule adopted 10/19/2007; new standards effective 1/1/2009 | See 2006 rule | Effective (similar rule) | Rule adopted 3/06/2009; new standards effective 9/06/2009. | Effective (similar rule) | Rule finalized 9/2005 | Contacts: Consumer products: AIM Coatings: solvents: Azin Kavian azin.kavian@state.ma.us Distributed Generation: Robert.donaldson@state.ma.us Proposed regulations: http://www.mass.gov/dep/public/publiche.htm Final regulations: http://www.mass.gov/dep/air/laws/regulati.htm |
| N H | Adopted (Effective January 1, 2007) | Adopted (7/27/06) | See 2006 rule | Not considering | Adopted | Under review | Effective (not based on OTC model rule) | Contact: Mike Fitzgerald 603-271-6390 Solvents: http://www.des.state.nh.us/rules/env-a1200.pdf DG: http://www.des.state.nh.us/rules/env-a3700.pdf |

Table V-2. Status Report on OTC State Efforts to Promulgate Regulations Based on OTC 2001 Model Rules (as of May 19, 2009)

| | Consumer Products | Architectural and Industrial Maintenance Coatings | Portable Fuel Containers | Mobile Equipment Repair and Refinishing | Solvent Cleaning | Additional NOx Controls | Distributed Generation Standards | State Contacts and Links to Rules |
|------------|-------------------|---|---|---|--|-------------------------|--|--|
| N J | Effective | Effective | Effective | Effective | Effective | Effective | Effective | Contacts: CP, PFCs: Judy Rand 609-984-1950 Additional NOx Controls, DG: Allan Willinger 609-633-1120 |
| N Y | Effective | Effective | See 2006 rule | Effective | Effective | Effective | In progress (Target effective date 07/01/10) | Contact: Ron Stannard 518-402-8396 CP: http://www.dec.state.ny.us/website/regs/ch3.htm (Part 235) AIM: http://www.dec.state.ny.us/website/regs/part205_new.html PFC: http://www.dec.state.ny.us/website/regs/239.htm MERR: ftp://www.dec.state.ny.us/dar/library/text228.pdf SC: http://www.dec.state.ny.us/website/regs/part226.html ANC: ftp://www.dec.state.ny.us/dar/library/xpt227.pdf |
| P A | Effective | Effective | See 2006 status report; Will rely on Fed PFC rule adopted by EPA on February 26, 2007. 72 FR 8427 | Similar rule is already in place | Effective | Effective | Will consider | Contact: Susan Hoyle, shoyle@state.pa.us ; 717-772-2329 Additional NOx Controls http://www.pabulletin.com/secure/data/vol34/34-50/2176.html MERR: http://www.pacode.com/secure/data/025/chapter129/s129.75.html SC: http://www.pacode.com/secure/data/025/chapter129/s129.63.html PFC: http://www.pacode.com/secure/data/025/chapter130/subchapAtoc.html CP: http://www.pacode.com/secure/data/025/chapter130/subchapBtoc.html AIM: http://www.pacode.com/secure/data/025/chapter130/subchapCtoc.html |
| R I | Effective 7/09, | Effective 7/09 | See 2006 rule | Effective (similar rule) | Effective (similar rule) Updated 10.08 | Will consider | Effective (similar rule) | Contact: Barbara Morin 401-222-2808 |
| V T | Will consider | RACT** | See 2006 rule | RACT** | RACT** | RACT** | In progress | |
| V A | Effective | Effective | See 2006 rule | Effective | Effective | | | Contact: Gary Graham (804) 698-4103 gegraham@deq.virginia.gov AIM: http://www.deq.virginia.gov/air/pdf/airregs/449.pdf PFC: http://www.deq.virginia.gov/air/pdf/airregs/442.pdf MERR: http://www.deq.virginia.gov/air/pdf/airregs/448.pdf SC: http://www.deq.virginia.gov/air/pdf/airregs/447.pdf CP: http://www.deq.virginia.gov/air/pdf/airregs/450.pdf CP Info: http://www.deq.virginia.gov/air/consumerprod.html |

** RACT determination required at the time of renewal of operating permit by state law

Table V-3. Status Report on OTC State Efforts to Promulgate Regulations Based on OTC 2006 Model Rules (as of May 19, 2009)

| | <i>Consumer Products (Phase II)</i> | <i>Adhesives and Sealants</i> | <i>Portable Fuel Containers (w/ Kerosene)</i> | <i>Diesel Chip Reflash</i> | <i>Asphalt Paving</i> | <i>Regional Fuel</i> | <i>Additional NOx Controls</i> | <i>State Contacts and Links to Rules</i> |
|------------|--|--|--|--|---|---|--|---|
| <i>C T</i> | <i>Effective</i> | <i>Effective</i> | <i>Effective</i> | <i>Developing an integrated heavy-duty diesel truck strategy</i> | <i>Rule adoption proceeding.</i> | <i>Effective statewide</i> | <i>Under evaluation as part of a multi-pollutant planning effort</i> | Contact: Susan Amarello 860-424-3442 http://www.ct.gov/dep/cwp/view.asp?a=2684&q=331196&depNav_GID=1619 |
| <i>D E</i> | <i>Effective April 11, 2009</i> | <i>Effective April 11, 2009</i> | <i>Relying on federal rule</i> | <i>Developing strategy</i> | <i>Similar rule already in effect</i> | <i>Already in effect statewide</i> | <i>Effective on July 11, 2007</i> | Adhesives, PFC, Asphalt, Consumer Products: Gene Pettingill 302-323-4542 Regional Fuel, Chip Reflash: Phil Wheeler (302) 739-9402 Additional NOx Controls: Frank Gao (302)0323-4542 http://regulations.delaware.gov/AdminCode/title7/1000/1100/1141.shtm#TopOfPage |
| <i>D C</i> | <i>Proposed May 2007; addressing public comments</i> | <i>Proposed May 2007; addressing public comments</i> | <i>Proposed May 2007</i> | <i>No Action</i> | <i>No Action</i> | <i>No Action</i> | <i>No Action</i> | Contact: Cecily Beall (202) 535-2626 |
| <i>M E</i> | <i>Rule adopted, Standards effective Jan 1, 2009</i> | <i>Scheduled for adoption 5/21/09</i> | <i>Draft rule under development</i> | <i>No action</i> | <i>Scheduled for public hearing 6/18/09</i> | <i>No Action</i> | <i>No Action</i> | Contact: Jeff Crawford 207-287-2437 http://www.maine.gov/dep/air/regulations/index.htm |
| <i>M D</i> | <i>Proposal publication 03/31/07; Hearing 5/1/07; Final Reg Pub 06/08/07; Effective 06/18/07</i> | <i>Rule adopted February 5, 2008; new standards effective April 7, 2008.</i> <i>Single Ply Roof Amendment: Adopted 04/29/09; Published 05/22/09; Effective 06/01/09</i> | <i>Proposal publication 03/31/07; Hearing 5/1/07; Final Reg Pub 06/08/07; Effective 06/18/07</i> | <i>No action</i> | <i>Under review</i> | <i>Presently in nonattainment areas, will consider regional fuel for attainment areas</i> | <i>Distributed Generation regulation: Proposal publication 10/24/08; Hearing 11/25/08; Final Reg Pub 05/08/09; Effective 05/18/09 Partial HEDD consent order 2008.</i> | Contacts: PFC: Eddie Durant Consumer Products, Adhesives: Husain Waheed DG: Randy Mosier 410-537-3240 |
| <i>M A</i> | <i>Rule adopted 10/19/2007; new standards effective 1/1/2009</i> | <i>Rule under development.</i> | <i>Will rely on 2007 Federal PFC rule (72 FR 8427) .</i> | <i>No action</i> | <i>Rule under development.</i> | <i>Already have RFG statewide</i> | <i>Under review</i> | Contacts: Consumer products: Adhesives and Sealants: Asphalt Paving: Azin Kavian azin.kavian@state.ma.us Proposed regulations: http://www.mass.gov/dep/public/publiche.htm Final regulations: http://www.mass.gov/dep/air/laws/regulati.htm |

Table V-4. Status Report on OTC State Efforts to Promulgate Regulations Based on OTC 2006 Model Rules (as of May 19, 2009)

| | Consumer Products (phase II) | Adhesives and Sealants | Portable Fuel Containers (w/ Kerosene) | Diesel Chip Reflash | Asphalt Paving | Regional Fuel | Additional NOx Controls | State Contacts and Links to Rules |
|----|--|---|---|---|---|--|--|---|
| NH | Draft rule under development (on hold) | Draft rule under development (on hold) | Adopted | No action | Under review | Under consideration | Under review | Contact: Mike Fitzgerald 603-271-6390 Solvents: http://www.des.state.nh.us/rules/env-a1200.pdf DG: http://www.des.state.nh.us/rules/env-a3700.pdf Send annual date code update information to: airfiles@des.nh.gov |
| NJ | Adopted 10/30/08 | Adopted 10/30/08 | Adopted 10/30/08 | No action | Adopted 3/20/09 | RFG in place state wide | Adopted 3/20/09 | http://www.state.nj.us/dep/agm/ Contacts: CP, PFCs, Adhesives: Judy Rand 609-984-1950. Asphalt Paving: Stella Oluwaseun-Apo 609-777-0430 Diesel Chip Reflash: John Gorgol 609-292-1413 Additional NOx Controls: Allan Willinger 609-633-1120 |
| NY | Proposed Hearings 7/09 | In progress | Adopted 06/30/09 | Evaluating court decision | In progress | Under consideration | In progress | Contact: Ron Stannard 518-402-8396 |
| PA | Final rulemaking scheduled for Environmental Quality Board consideration June 16, 2008; Anticipated effective date for new categories is Jan 1, 2009 | Proposed Rulemaking schedule for Environmental Quality Board consideration August 17, 2008; Anticipated effective date is May 1, 2009 | Will rely on Fed PFC rule adopted by EPA on February 26, 2007. 72 FR 8427 | No plans to pursue at this time. | Under consideration | Under consideration | Cement Kiln and Glass Furnace regulations' public comment periods close June 23, 2008; Anticipated effective date is May 1, 2009 | Contact: Susan Hoyle 717-772-2329 shoyle@state.pa.us www.depweb.state.pa.us/pubpartcenter/site/default.asp www.pacode.com/ www.pabulletin.com/ |
| RI | Rule Adopted May 2009, limits effective 7/1/09 | Rule Adopted May 2009, limits effective 7/1/09 | Will rely on federal rule. | No plans to pursue | Hearing on rule 2/09, limits will be effective 5/10 | RFG in place state wide | No plans at this time to implement this measure. | Contact: Barbara Morin 401-222-2808 barbara.morin@dem.ri.gov |
| VT | No plan to adopt | Plan to pursue | Plan to pursue | Plan to pursue depending on legal basis | Considering | Under consideration, would adopt if truly regional | No plans at this time to implement this measure. | |
| VA | Notice of intended regulatory action | Notice of intended regulatory action | Notice of intended regulatory action | No current plans to pursue. | No current plans to pursue. | No current plans to pursue. | No current plans to pursue. | Contact: Gary Graham (804) 698-4103 gegraham@deq.virginia.gov |