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September 26, 2011

Alex Ryan-Bond  
Ozone Transport Commission  
Hall of the States  
444 North Capitol Street, Suite 638  
Washington, DC 20001

Re: Spectra Energy Corporation Comments on the OTC Model Rule for Control NOx Emissions from Natural Gas Pipeline Compressor Prime Movers

Dear Mr. Ryan-Bond:

*Spectra Energy* appreciates the opportunity to comment on the proposed 2014 Ozone Transport Commission (OTC) Model rule for Control of NOx Emissions From Natural Gas Pipeline Compressor Fuel-Fired Prime Movers (Draft Model Rule).

Spectra Energy owns and operates a large and diversified portfolio of natural gas-related energy assets and is one of North America's premier midstream natural gas companies. For over a century, Spectra Energy and its predecessor companies have developed critically important pipelines and related energy infrastructure connecting natural gas supply sources to premium markets. Spectra Energy operates in three key areas of the natural gas industry: transmission and storage; distribution; and gathering and processing. Spectra Energy's US transmission systems consist of more than 13,000 miles of transmission pipelines, with seven transmission system components located in 26 states. Several of these systems including Texas Eastern Transmission, L.P.; Algonquin Gas Transmission, L.L.C.; East Tennessee Natural Gas, L.L.C.; and Maritimes & Northeast Pipeline, L.L.C.; have significant portions of their operations located in Ozone Transport Commission (OTC) states and stands to be significantly impacted by this proposed Draft Model Rule. Spectra Energy operates a total of 64 gas turbines and 74 recipicating gas engines totaling 804,708 hp within OTC states.

Spectra Energy is an active member of INGAA and as such we fully support and encourage the OTC to adopt the proposed revisions recommended by INGAA. The following is a summary bullet list of issues that are important to Spectra Energy and more fully addressed in the INGAA comments. Spectra Energy encourages the OTC to contact us if supporting data or further explanation of any of our concerns or comments is warranted.

- Compliance Flexibility – The proposed rule should include additional flexibility – similar to that afforded by the EPA Model Rule for the NOx SIP Call Phase 2 Rule. For example, that EPA model rule allows emissions averaging as a compliance option.

- Emission Limits: The NO<sub>x</sub> emission limits should be commensurate with retrofit controls (i.e., modified or reconstructed units) from the recent NSPS for Spark Ignited Engines (Subpart JJJJ) and Turbines (Subpart KKKK).
- Size Threshold: The rule should include higher size thresholds because it is unlikely that meaningful reductions will be achieved from smaller units – due to their limited numbers and/or lower utilization.
- Technology Limitations: For compressor drivers, proven *retrofit* control technology may not be available or response to controls will differ for different types (e.g., manufacturers) of units. These limitations should be reflected in model rule requirements. If flexible options and reasonable limits are not included in the model rule, an inordinate number of alternative RACT requests would likely result. We would prefer more informed decisions and flexibility within the rule so that the need for alternative RACT requests is limited.
  - As an example, for turbines <5 MW, proven retrofit control is not available. This is apparent in other rules (Turbine NSPS, other state RACT Rules) where NO<sub>x</sub> limits higher than the proposed 50 ppmv limit are common.
- Compliance Schedule: Past experience (e.g., from controls in response to the NO<sub>x</sub> SIP Call Phase 2 Rule) indicates that compliance would not be achievable by January 2015. Later deadlines and/or compliance phased over multiple years will be necessary.
- Seasonal Limits: The rule should consider only applying emission limits (and emissions averaging) over the ozone season.
- Emission Limit Applicability: To address emissions across the operating load range, the emission standard should be in pounds per hour based on the g/bhp-hr emission rate at full load conditions.
- Test Method Flexibility: Testing should allow methods acceptable in EPA rules – e.g., portable analyzers to verify compliance with NO<sub>x</sub> limits. In addition, test frequency consistent with other rules (e.g., NSPS) should be sufficient and should also allow options such as relaxed frequency if repeat compliance is demonstrated. Lastly, as written, there is no provision for situations when an engine cannot be tested because it is not operating. Exceptions from scheduled testing should be provided for those instances when a unit is off-line (e.g. “... Periodic testing shall not be required of units operating less than 720 hours since the last test....”)
- “Capacity” definition: The “nameplate” rating can be ambiguous. Turbine capacity should be based on ISO conditions (e.g., see Turbine NSPS). Reciprocating engine capacity should be based on site-rated horsepower (e.g., see RICE NESHAP).
- Operator O&M Plan: Compliance criteria include multiple plans and depend on manufacturer requirements. Similar to the engine NSPS (Subpart JJJJ), an operator-defined O&M plan should be sufficient. Manufacturer requirements should not be mandated, as these may not be appropriate (or available) for existing engines.

- Annual Report: Section 9.3 of the Model Rule prescribes certain annual reporting beginning March 31, 2016, and annually thereafter. Provisions should be included under this Section to allow stationary RICE that are subject to permitting regulations pursuant to 40 CFR part 70 or 71, and where the permitting authority has established dates for submitting annual compliance reports pursuant to 40 CFR 70.6(c) (5) or 40 CFR 71.6 (c) (5), to submit the first and subsequent annual reports according to the dates the permitting authority has established instead of according to the proposed in Section 9.3 of the Model Rule.

Thank you for the opportunity to submit our comments. Please feel free to contact me with any questions either via email (rktalwar@spectraenergy.com) or phone (713.989.1784).

Sincerely,



Ritu K. Talwar  
Manager, Energy & Environmental Policy  
Spectra Energy

cc by email: Ali Mirzakhali, Delaware NREC  
Robert Clausen, Delaware NREC  
Husain Waheed, MDE