2007 Agreement Template

Chris Salmi January 31, 2006 BWI

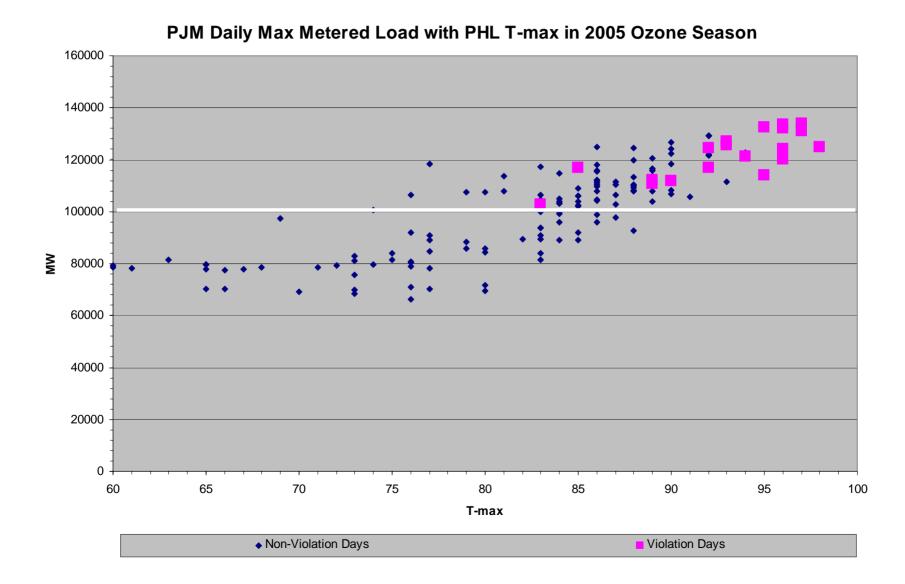
Framework

- Background
- Short Term:
 - Emission Reduction Commitment
 - Trigger
 - Action Plan
 - Demonstration that reductions are:
 - Real
 - Permanent
 - Quantifiable
 - Enforceable

Framework (continued)

- Long Term
 - Actions to meet long term performance standards

Trigger - PJM ISO



How Would You...

- Define the measure
- Quantify the reductions
- Document the reductions are excess
- Verify the reductions
- Report on the reductions

Short Term Issues

- When will measures need to be effective:
 - Start of the 2009 ozone season
- When will agreements need to be executed May, 2007
 - Sooner for inclusion in attainment demonstration SIPs or each plan will require a separate SIP revision
- When will plans need to be submitted to states Jan. 1, 2008
- No system wide averaging

Long Term Performance Standards

- Combustion Turbines:
 - natural gas: 0.04 lbs/mmBTU
 - fuel oil: 0.16 lbs/mmBTU
- Boilers:
 - natural gas: 0.035 lbs/mmBTU
 - fuel oil: No. 2: 0.05 0.08 lbs/mmBTU No. 6: 0.15 - 0.2 lbs/mmBTU

Specifics

- Performance standards implemented by state rule
- Meet performance standards by Jan. 1, 2009 or participate in HEDD Partnership Agreement, AND
- Meet performance standards by 2015 with interim 2012 reduction goal