

**COMMENTS OF EXELON CORPORATION ON OZONE TRANSPORT
COMMISSION CONSIDERATION OF MARYLAND'S CLEAN AIR ACT SECTION
184(c) PETITION**

August 16, 2019

Exelon Corporation (“Exelon”) respectfully submits the following comments on the Ozone Transport Commission’s (OTC) consideration of the petition by the State of Maryland for additional control measures pursuant to Section 184(c) of the Clean Air Act (May 30, 2019) (“Petition”).¹ A Fortune 100 company and the second-largest power producer in the United States, Exelon does business in 48 states, the District of Columbia, and Canada. Exelon is one of the largest and cleanest competitive power generators in the United States, producing nearly 175,000 gigawatt-hours (“GWh”) of emissions-free electricity annually, nearly twice as much emissions-free electricity as any other company in the United States. Eighty-seven percent of Exelon’s generation is emissions-free nuclear, hydroelectric, wind, or solar; the vast majority of the remainder is natural gas. Through our Constellation business unit, Exelon provides energy products and services to more than 2.5 million residential, public sector, and business customers, including more than two-thirds of the Fortune 100. Additionally, Exelon’s six utilities deliver electricity and natural gas to more than 10 million homes and businesses via Atlantic City Electric Company, Baltimore Gas & Electric Company, Commonwealth Edison Company, Delmarva Power & Light Company, PECO Energy Company, and Potomac Electric Power Company (“Pepco”). With operations in both Maryland and Pennsylvania, and throughout the Ozone Transport Region (“OTR”), Exelon’s emissions-free generation and reliable electricity service play an important role in reducing emissions of ozone precursors in both states.

Exelon supports continued reductions in air pollutant emissions from the power sector by maintaining and expanding generation of emissions-free electricity and improving energy efficiency. Strong federal, state, and regional standards are a key driver of these reductions and the sector’s ongoing transformation. For decades, Exelon has provided reliable, affordable electricity while maintaining a very low-emissions generating profile. As a long-time proponent of market-based emission-reduction programs, Exelon actively and successfully supported the OTC’s pioneering trading programs as well as subsequent federal programs such as the Cross-State Air Pollution Rule (“CSAPR”)², including before the U.S. Court of Appeals for the District of Columbia Circuit and before the U.S. Supreme Court. Exelon continues to support CSAPR as a framework for further reductions in cross-border pollution that affects air quality in downwind states, including commenting in support of and with constructive revisions to the CSAPR Update.³ Exelon likewise recognizes that while market-based systems like CSAPR are very effective at reducing overall pollution levels at the lowest cost, they are not a reliable means of reducing emissions from any particular emission source. When specific sources cause or contribute to specific violations, source- or state-specific solutions may be required.

¹ Maryland Department of the Environment, Petition to the Ozone Transport Commission for Additional Control Measures Pursuant to Section 184(c) of the Clean Air Act (May 30, 2019). Available at [https://otcair.org/upload/whatsnew/184\(c\)_MD_PetitionAndAttachments.pdf](https://otcair.org/upload/whatsnew/184(c)_MD_PetitionAndAttachments.pdf) (Accessed August 16, 2019).

² 76 Fed. Reg. 48,208 (Aug. 8, 2011).

³ 81 Fed. Reg. 74,504 (Oct. 26, 2016).

As explained in greater detail below, Exelon supports OTC's consideration of the Petition. As OTC notes, about "30 million people living in the Northeast breathe air that fails to meet the current 2015 ozone national ambient air quality standard (NAAQS) of 70 parts per billion (ppb). As a result, large areas of the region are designated as nonattainment for ozone, including all or portions of: Connecticut, Delaware, the District of Columbia, Maryland, New Jersey, New York and Pennsylvania."⁴ Many of these 30 million people are our customers and employees. OTC further notes that "the U.S. Environmental Protection Agency (EPA) has identified Pennsylvania as a contributor to high ozone in each of the states failing to meet the 2015 ozone NAAQS. In addition, EPA has determined that Pennsylvania contributes to portions of Connecticut, New Jersey and New York that still fail to meet the 2008 NAAQS of 75 ppb." The Petition asks the OTC to recommend additional control measures within part of the OTR, specifically the potential need for daily limits at coal-fired electric generating units ("EGUs") in Pennsylvania, as necessary to bring areas in the OTR into attainment by the dates mandated by the CAA. We agree OTC should consider recommending such limits or other measures to address continuing emissions from these units that are causing or contributing to downwind non-attainment.⁵

Maryland notes in the Petition that "an analysis of excess emissions from Pennsylvania coal-fired power plants in 2017 and 2018 after implementation of Pennsylvania's Reasonably Available Control Technology (RACT) II and the Cross State Air Pollution Rule (CSAPR) Update. Despite significant progress in reducing *long term* average nitrogen oxides (NOx) emissions from coal-fired power plants, Pennsylvania rules still allow excess emissions on a *daily* basis. The ozone NAAQS is set to address short-term (8-hour) exposures and an air quality monitor's design value-the calculation controlling whether an area is in attainment-is based on the fourth-highest daily 8-hour concentration in a season, averaged over three consecutive years. Therefore, reducing excess emissions on a daily basis is critical to attaining and maintaining the ozone NAAQS."⁶ And, we would add, to improving air quality and public health throughout our service territories in southeast Pennsylvania and the State of Maryland.

It is well-accepted that a cap-and-trade program is a cost-effective and efficient means for achieving emission reductions region-wide or sector-wide, particularly within the electric generation sector, and Exelon has long supported these programs, including defending CSAPR in the D.C. Circuit and Supreme Court. However, Maryland is correct that CSAPR places an

⁴ Ozone Transport Commission, OTC Notice on Public Comment Period and Public Hearing. Available at [https://otcair.org/upload/whatsnew/184\(c\)Petition_OTC_PublicNotice_Final.pdf](https://otcair.org/upload/whatsnew/184(c)Petition_OTC_PublicNotice_Final.pdf) (Accessed August 16, 2019).

⁵ *Ibid.*

⁶ Maryland Department of the Environment, Petition to the Ozone Transport Commission for Additional Control Measures Pursuant to Section 184(c) of the Clean Air Act (May 30, 2019). Available at [https://otcair.org/upload/whatsnew/184\(c\)_MD_PetitionAndAttachments.pdf](https://otcair.org/upload/whatsnew/184(c)_MD_PetitionAndAttachments.pdf) (Accessed August 16, 2019). Emphasis in original.

annual or seasonal cap on region-wide emissions, which ensures a gross maximum of emissions; however, CSAPR does not cap emissions at individual units or on particular days. Accordingly, source- or state-specific requirements such as those Maryland is requesting can be an important complement to a regional market-based program in addressing daily emissions of criteria pollutants like NO_x. In particular, we support Maryland's request that the OTC consider measures that would require EGU operators to use existing controls, which would provide a cost-effective and timely means to reduce emissions contributing to ongoing nonattainment and maintenance problems in the region.

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Exelon agrees that OTC must consider developing additional control measures for coal-fired EGU in Pennsylvania that are causing or contributing to downwind non-attainment, including in Maryland, and a requirement to run existing controls in accordance with manufacturer specifications is a minimum requirement to consider.

Appendix A – Contact Information

Should EPA have any questions or need further information, please contact:

W. Mason Emmett
Vice President, Competitive Market Policy
Exelon Corporation
101 Constitution Ave NW Suite 400 East
(202) 637-0351
Mason.Emmett@exeloncorp.com