OTC Annual Meeting June 11, 2014 Lord Baltimore Hotel Baltimore, Maryland

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Outline

Update on Committee efforts

•Update on completing Charge

•Moving Forward- Next steps for the SAS Committee





Charge to the Committee

LARGEST CONTRIBUTOR ANALYSIS

Using the most recent emission inventory data available to:

- Identify the largest individuals and groupings of NOx emitters within states where that state contributes at least 1% of the 2008 ozone NAAQS of 75 ppb to OTC states;
- Identify emission sources with the highest short-term emissions of NOx and VOC;
- Evaluate real world achievable NOx emission rates across load ranges to adjust long and short term expectations for emission reductions.
- Develop individual state EGU NOx emission rates achievable, considering reasonable available controls.

DISTRIBUTED AND EMERGENCY GENERATOR INVENTORY

Obtain information from system operators concerning the location, operation and emissions of all units that participate or plan to participate with the system operator to analyze the air quality impact of these engines and make recommendations for potential control strategies to the Commission.



Largest Contributor (EGU) Analysis

EGU Workgroup posted the draft Whitepaper of the EGU Emissions Inventory Analysis for the OTC Modeling Domain for stakeholder comments on the OTC website in April, Workgroup is currently reviewing stakeholder comments

The draft EGU Emissions Inventory Analysis Whitepaper includes:

- Analysis of 2011 and 2012 state level ozone season EGU NOx emissions (tons) and ozone season state average EGU NOx emission rate (lb/mmBtu) data.
- Analysis 1 NOx controls and EGU retirements
- Analysis of Short Term (Hourly) EGU NOx Emissions 2012
- Analysis of daily EGU NOx emissions during the 2011 Ozone Season including emissions, fuel type, and temperature charts.
- "Coal SCR Scorecard" Analysis 2011 & 2012



Recommendation for modeling of Short Term NOx emission limits for EGUs

Analysis 1: Reasonable cost-effective Emission Control Technology

• Analysis 1 demonstrates that significant NOx reductions can be achieved through the application of commercially available, cost effective controls, beyond what is achieved through retirements and fuel switching.



Estimated Impact of Coal Fired EGU Retirements and Analysis 1 NOx Controls on Ozone Season Fleet Average NOx Emission Rates (LADCO STATES)



DRAFT



Analysis 2: Hourly EGU NOx Emission during a High Ozone Period

- The NOx emission rates from a number of EGUs were greater during this period than would be expected from EGUs with the pollution controls reported to be installed on those EGUs.
- Many EGUs were cycled on and off line during the period to meet the grid's electric demand, including a number of coal-fired EGUs.
- During peak hours, for states subject to the CAIR ozone season NOx program, coal- and natural gas-fired EGUs were responsible for the greatest heat input, with coal-fired EGU contributing approximately 79% and natural gas-fired EGUs contributing approximately 15% of the total NOx mass emissions.



Analysis 3: Daily NOx Emissions during the Ozone Season

- Majority of EGU NOx emissions on HEDD in the OTR and LADCO were from coal-fired units.
- NOx emissions from diesel and residual oil units contribute significantly to poor air quality on HEDD in the OTR but not in LADCO.



Analysis 4: "Coal SCR Scorecard"

 Many EGU's with installed pollution control devices (e.g., SCRs) were operating during the 2011, 2012, and 2013 ozone season at NOx rates higher than previously demonstrated, and this behavior varies from state to state.



State Rules Summary Short Term NOx Limits for EGU Boilers & Turbines (Analysis 5)

- These Short Term NOx Limits listed as "Current Thinking" not intended to reflect technological edge of NOx control capability, but rather to represent NOx control retrofit capability for much of the EGU Industry
 - Alternative compliance means may be necessary for some existing units that may not be able to achieve these NOx rate limits with RACT controls
- •State rules included in analysis are from CT, DE, NH, NJ, NY & WI EGU boiler NOx limits in state rules – 24 hr avg. (rolling avg. or calendar day avg.)
- •EGU turbine NOx limits in state rules varied from state to state (1hr avg., 24 hr avg, 30 day rolling avg.)



NEXT STEPS FOR EGU SUBGROUP

•Finalize OTC EGU Emissions Inventory Analysis Whitepaper

•Workgroup review of results from preliminary ERTAC model runs on NOx reductions if Analysis 1 controls were applied and Ozone benefits from NOx reductions due to EGU retirements

• Prepare data for ERTAC model run on NOx reductions if Short Term NOx limits were applied



EMF Project

What are EMF and CoST?

- **EMF** is a USEPA tool to manage and quality assure emission inventories
- **CoST** works with EMF inventories to model the effect and cost of control strategies for point, area, and mobile sources.

Why implement a regional EMF and CoST? – In-house capability:

- Annual inventory projection
- Analyze effectiveness and cost of strategies
- Project base year point & area emissions for SIP quality modeling
- Prepare SMOKE-ready input files for multiple years



EMF IS A BOX FOR INVENTORIES

Easy access to inventories - database

Inventory management tools:

- Inventory summary
- Plot sources on maps
- Quality assurance & documentation
- Analysis (HEDD, Compare etc)
- Projection to future years
- Cost and impact of control strategies (CoST Tool)
- Convert to modeling files
- Vary the time step of inventories (from annual to daily, seasonal)



Where are we right now?

- •DONE MARAMA & OTC provided funding.
- •DONE EMF set up on Amazon Cloud.
- •Underway MARAMA uploads 2007/2011/2018/2020 datasets
- •Underway Developing growth & control factors through 2035
- •Underway Seven training webinars for members

•Next step - EMF code modification to vary the time step of inventories (from annual to daily, episodic or seasonal)



Distributed and Emergency Generator Inventory

•OTC pursuing strategy of using state authority to gather information on DR engines

•OTC looking into how to account for Demand Response emissions in modeling scerios





Other SAS Committee Updates

Consumer Products Rule

- OTC Sent EPA a request to adopt the OTC Consumer Products Model Rule as a National Rule
 - Available at <u>http://www.otcair.org</u>

AIM

 Beginning process to develop a package to present to EPA asking for the adoption of the OTC AIM Model Rule as a National Rule.

Vapor Recovery

- Continue to look at ways to improve Stage I
- Looking at Low Permeation Hoses, Dripless Nozzles, and Pressure Monitoring and Management



Next Steps for the Committee

- Continue to evaluate EGU NOx real world emission data including daily EGU NOx emissions during ozone season episodes and HEDD days
- Use Largest Contributor analyses in ERTAC EGU modeling
- Look at ICI Boiler Emissions,
- Recommend using individual state authorities to collect data from demand response units
- Continue developing the AIM model rule to send to EPA.
- Continue to evaluate Vapor Recovery strategy options.
- Continue to provide an economic impact assessment of each new or significantly revised strategy that is presented to the Commission for action or consideration



Questions?



