

# **2007 State-Generator Agreement**

**Chris Salmi  
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Hartford**

# ***The Big Picture***

**Three areas being addressed in this effort:**

- 1) HEDD units via HEDD Partnership Action Plans with industry**
- 2) States are:**
  - a) identifying ‘distributed generation’ units that contribute to HEDD emissions**
  - b) revising, as necessary, state regulations to control these units**
- 3) States are working to implement or augment state Energy Efficiency programs**

# *To Implement the Partnership*

States will adopt rules which state:

- Generators will meet performance standards in 2009 for **NEW** HEDD units
- Generators will meet performance standards in 2009 for **EXISTING** HEDD units **OR** devise & implement an approved partnership plan, **AND**
- Meet performance standards for **EXISTING** HEDD units in 2012, **2015**, or 2018

# *Timing*

- **Agreements will need to be executed - ASAP**
  - **States are committing to HEDD reductions in their June 15, 2007 SIPs**
- **Plans will need to be submitted to states by Jan. 1, 2008**
- **Measures need to be effective by May 1, 2009**

***What We Want the  
Agreement to Achieve***

**Flexibility & Certainty**

# ***Flexibility & Certainty***

- **Flexibility**

- HEDD unit owners choose the most cost effective path
- Avoid “Command & Control” approach
- Allows the use of conservation to minimize peaks & minimize the commitment impact
- If not double-counted, HEDD unit owners responsibility can span state borders if directionally correct
- Allows time to comply, financial markets to respond, and continue to plan

# ***Flexibility & Certainty***

- **Certainty**

- State and the generator enter into a mutually agreed upon plan using a formal agreement as the “contract” which gets submitted in the SIP
- Lays out what is expected of both parties
- Provides the certainty required to plan future actions

# ***Agreement Components***

- Background
- Emission Reduction Commitment
- Trigger
- Action Plan
- Action Plan Submission Dates



# ***Action Plan Components***

- Description of action
- Demonstration that reductions are:
  - Real
  - Quantifiable: monitored? calculated?  
based on?
  - Enforceable
  - Excess: not required by permit, not  
RACT, not CAIR
- Recordkeeping and Reporting

# *Remaining Questions*

- If the long term standards are set for 2015, do we want to secure an intermediate reduction in the 2012 time frame, i.e. 25% reduction in 2009, 50% reduction in 2012?
- What is the geographical area of the plan?
- Emission Portfolio Standards

# *State Reduction Responsibility*

State	<b>NOx</b> (tons per day)	% Reduction from HEDD Units
CT	11.7	-25%
DE	7.3	-20%
MD	27.0	-32%
NJ	19.8	-28%
NY	52.9	-27%
PA	32.4	-28%
Total	151.2	-27%

# Generator Reduction Responsibility

State	Short Term HEDD NO <sub>x</sub> Reduction Goal (tons)	<u>Company</u>
CT	4.33	Montville Power, LLC (Owner) NRG Montville Operations, Inc. (Operator)
	3.00	Middletown Power, LLC (Owner) NRG Middletown Operations, Inc. (Operator)
	2.16	Connecticut Jet Power, LLC (Owner) NRG Middletown Operations, Inc. (Operator)
	1.98	PSEG Power Connecticut, LLC (Owner/Operator)
	0.22	Norwalk Harbor Power Operations (Operator) Norwalk Harbor Power, LLC (Owner)
	<u>0.00</u>	Devon Power, LLC (Owner) NRG Devon Operations, Inc. (Operator)
	11.7	

# Generator Reduction Responsibility

State	Short Term HEDD NO <sub>x</sub> Reduction Goal (tons)	<u>Company</u>
DE	4.50	Conectiv Delmarva Generation, LLC (Owner/Operator)
	1.61	City of Dover (Owner/Operator) DE Operating Services, LLC (Operator)
	0.97	Indian River Power, LLC (Owner/Operator)
	<u>0.25</u>	NRG Energy Center Dover, LLC (Owner/Operator)
	7.3	

# Generator Reduction Responsibility

State	Short Term HEDD NO <sub>x</sub> Reduction Goal (tons)	<u>Company</u>
MD	10.04	Mirant Chalk Point, LLC (Owner/Operator)
	6.82	Constellation Power Source Generation Inc. (Owner/Operator)
	4.29	Constellation Energy Commodities Group, Inc. (Owner/Operator)
	3.58	Mirant Mid-Atlantic, LLC (Owner/Operator)
	1.83	Vienna Power, LLC (Owner/Operator)
	0.45	Allegheny Energy Supply Company, LLC (Owner/Operator)
	<u>0.00</u>	Mirant Mid-Atlantic, LLC (Operator) South Maryland Electric Cooperative (Owner)
	27.0	

# Generator Reduction Responsibility

State	Short Term HEDD NO <sub>x</sub> Reduction Goal (tons)	<u>Company</u>
NJ	16.27	PSEG Power, LLC (Owner/Operator)
	2.19	PSEG Fossil LLC (Owner/Operator)
	0.95	Conectiv Atlantic Generation, LLC (Owner/Operator)
	0.44	Reliant Energy New Jersey Holdings (Owner/Operator)
	0.00	City of Vineland (Owner/Operator)
	<u>0.00</u>	Atlantic City Electric Company (Owner/Operator)
	19.8	

# Generator Reduction Responsibility

State	Short Term HEDD NO <sub>x</sub> Reduction Goal (tons)	<u>Company</u>
NY	15.18	Astoria Generating Company, LP (Owner) Astoria Operating Services, Inc. (Operator)
	7.90	Astoria Gas Turbine Operations, Inc. (Operator) Astoria Gas Turbine Power, LLC (Owner)
	7.64	Dynegy Power Corporation (Owner/Operator)
	7.05	Mirant Bowline, LLC (Owner/Operator)
	3.71	Consolidated Edison of New York (Owner/Operator)
	3.45	New York Power Authority (Owner/Operator)
	3.02	KeySpan Corporation (Operator) LIC Funding, Inc. (Owner)
	2.45	Mirant Lovett, LLC (Owner/Operator)
	2.20	KeySpan Corporation (Owner/Operator)
	0.13	Consolidated Edison of New York (Owner) KeySpan Corporation (Operator)
	0.09	Mirant NY-Gen, LLC (Owner/Operator)
	0.08	Arthur Kill Power, LLC (Owner/Operator) Arthur Kill Power, LLC (Owner)
	52.9	



# Generator Reduction Responsibility

State	Short Term HEDD NO <sub>x</sub> Reduction Goal (tons)	<u>Company</u>
PA	11.22	PPL Martins Creek, LLC (Owner/Operator)
	8.42	Exelon Generating Company (Owner/Operator)
	4.80	Reliant Energy Mid-Atlantic Power Holdings, LLC (Owner/Operator)
	3.06	Sunbury Generation, LP (Operator)
	2.96	Allegheny Energy Supply Company, LLC (Owner/Operator)
	1.62	Orion Power Midwest, LP (Owner/Operator)
	0.20	Wheelabrator Frackville Energy Company, Inc. (Owner/Operator)
	0.16	Trigen - Philadelphia Energy Corp (Owner/Operator)
	0.00	Williams Generation (Owner/Operator)
	0.00	Monongahela Power Company (Owner) Allegheny Energy Supply Company, LLC (Owner/Operator)
	<u>0.00</u>	PPL Montour, LLC (Owner/Operator)
	32.4	



# Day Comparisons

PHL Temperature	76°	97°		
State	6/4/2005	7/26/2005	Tons	□%
CT	10	54	44	423%
DE	14	58	44	329%
MD	84	218	134	160%
NJ	52	163	111	215%
NY	99	305	207	209%
PA	233	404	170	73%
Total	492	1202	711	145%

# Day Comparisons (Continued)

Change in			
• Coal Boilers (mostly baseload):			
• Running both days:			174 tons
• Running HED Day only:			151 tons
• All CTs:			182 tons
• HECTs:			179 tons
• Load-Following Boilers:			252 tons
• Non-Coal Baseload:			55 tons
• CC Units			31 tons
HECTs running on 6/4/05			11 tons