

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

November 22, 2019

Exelon Corporation (“Exelon”) respectfully submits the following comments on the Ozone Transport Commission’s (OTC) proposal of a petition for additional control measures pursuant to Section 184(c) of the Clean Air Act (October 17, 2019) (“Proposal”).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.

As explained in greater detail below, Exelon supports OTC’s recommendation that EPA require Pennsylvania to revise the Pennsylvania State Implementation Plan (SIP) to include additional control measures that would establish daily nitrogen oxides (NOx) emission limits for

¹ OTC Notice on Public Comment Period (October 17, 2019). Available at https://otcair.org/upload/whatsnew/2ndPublicCommentNotice-17oct19_final.pdf (Accessed November 22, 2019).

² 76 Fed. Reg. 48,208 (Aug. 8, 2011).

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

all coal-fired EGUs with already installed Selective Catalytic Reduction (SCR) or Selective Non Catalytic Reduction (SNCR) control technology to ensure that these technologies are optimized to minimize NOx emissions each day of the ozone season. 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 explains 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.”

OTC therefore recommends that EPA require Pennsylvania to establish requirements at least as stringent as any one of several reasonable state rules within the region that establish daily limits designed to optimize the use of SCR and SNCR control technologies to minimize NOx emissions each day of the ozone season. Daily NOx limits for coal-fired EGUs have been adopted by Delaware, New Jersey, and Maryland, three of the states adjacent to and directly downwind of Pennsylvania. As OTC notes, “Pennsylvania contributes significantly to four downwind nonattainment areas in the OTC including Washington D.C., Baltimore, Philadelphia, and New York City. During the summer of 2018, NOx emissions from coal-fired EGUs in Pennsylvania equipped with SCR and SNCR were more than four times greater than the NOx emissions from coal-fired EGUs in Delaware, New Jersey and Maryland combined.”

Pennsylvania has not yet adopted daily NOx limits for coal-fired EGUs. Therefore, we support OTC’s recommendation that EPA require Pennsylvania to adopt and implement daily NOx limits as expeditiously as practicable. Referencing the existing regulations in Delaware, New Jersey, and Maryland offers Pennsylvania the opportunity to leverage regional analysis and experience to in order to implement daily NOx limits in a time frame to help downwind OTC states attain the 2015 ozone standard by the dates required in the Clean Air Act. Notably, adoption of this recommendation would not require the purchase or installation of new control technologies. We agree with the OTC’s recommendation that EPA to require that Pennsylvania implement these requirements in time to reduce ozone levels during the summers of 2020 and 2021. Current air quality observations indicate all marginal non-attainment areas in the OTR may not attain the 2015 ozone standard by the 2021 deadline if additional NOx reductions are not achieved.

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, the current annual and seasonal caps on region-

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).

wide emissions ensures a gross maximum of emissions, but do not address emissions at individual units or on particular days, which is necessary to ensure ozone attainment.

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Exelon agrees that EPA should require Pennsylvania to revise the Pennsylvania SIP to include additional control measures to establish daily NOx emission limits for all coal-fired EGUs with already-installed SCR SNCR control technology to ensure that these technologies are optimized to minimize NOx emissions each day of the ozone season.

Appendix A – Contact Information

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

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