

## WRAP SSJF / 309 Work Group

### May 30, 2006 Call on 309 SO2 Program

- Forum members review the meeting notes from the May 11 Call. The following issues were discussed.
  - Forum will engage EH Pechan and Associates to review the 2018 projections for non-utility sources.
    - Draft scope of work distributed to work group for review. Final scope of work attached. Project began June 15.
  - What non-utility BART sources need to be evaluated for controls? Which of these sources were found to contribute to haze when modeled in CALPUFF? If a BART source was found not to be contributing, can it be included in the backstop trading program?
    - List of non-utility sources distributed with BART-eligible sources flagged. Will add flag for those being modeled with CALPUFF to determine whether they are contributing to haze.
  - What type of analysis is needed to determine a BART level for sources to be covered by the program (utility and non-utility)? Can the presumptive limit (0.15 # / mmbtu) be used for all utilities > 200 MW that are shown to contribute?
    - No resolution but general agreement that presumptive limit can be used for utilities.
  - For utilities covered by the program, how will the BART determination for NO<sub>x</sub> be made and how will that affect what is assumed for SO<sub>2</sub> under the backstop program?
    - Should be able to address NO<sub>x</sub> separately since any analysis of EGUs for BART can assume the presumptive limit for SO<sub>2</sub>.
  - Will allowances be allocated to sources as part of the SIPs? If so, how will that be done? If not, how can sources show what is required of them under this program so that they can have their controls approved by state regulatory agencies (i.e., rate recovery)?
    - Work group members felt we should stick with the approach used in the 309 SIPs – i.e., describe the method for allocating allowances but do not allocate allowance unless and until the backstop cap-and-trade program is triggered.
  - Need to set 2018 milestone as well as interim milestones for 2008 and 2013.
    - 2008 and 2013 interim milestones will be evaluated after non-utility projections are complete and agreement is reached on 2018 milestone.

- Will we continue to include all sources > 100 tpy?
  - Yes, program threshold will remain the same.
  
- Are there non-BART sources that should be evaluated for additional emission controls?
  - This is a non-utility issue. Will evaluate after reviewing data on BART eligible non-utility sources and upon completion of non-utility projections for 2018.
  
- Is 85% nameplate capacity factor (or the actual capacity factor if the unit was above 85% in the base year) appropriate to project growth from existing units? Some units have been operating at lower capacities in recent years due to installation of controls.
  - Yes, we will stick with this assumption for existing EGUs.
  
- How will the tribal set-aside be handled under the revised milestones?
  - This is an outstanding issue. Original tribal set-aside was based on a 9 state program and tribal participation. The 309 SO<sub>2</sub> program is a five state program and does not cover any tribal sources or tribal lands. Need to reconsider the justification for a tribal set-aside.
  
- How will the Chino smelter be handled under the revised milestones?
  - Will evaluate 2018 projections for smelters as part of the Pechan project and make any necessary adjustments to the milestones and the smelter set-aside.