



6560-50-P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[EPA-R05-OAR-2014-0705; FRL-9926-27-Region 5]

**Approval and Promulgation of Air Quality Implementation Plans;
Illinois; Illinois Power Holdings and AmerenEnergy Medina Valley
Cogen Variance**

AGENCY: Environmental Protection Agency.

ACTION: Proposed rule.

SUMMARY: The Environmental Protection Agency (EPA) is proposing to approve into the Illinois Regional Haze State Implementation Plan (SIP) a variance for the electrical generating units (EGUs) included in the Ameren multi-pollutant standard group (Ameren MPS Group). The Ameren MPS Group consists of five facilities owned by Illinois Power Holdings, LLC (IPH) and two facilities owned by AmerenEnergy Medina Valley Cogen, LLC (Medina Valley). The Illinois Environmental Protection Agency (IEPA) submitted the variance to EPA for approval on September 3, 2014.

DATES: Comments must be received on or before **[insert date 30 days after publication in the FEDERAL REGISTER]**.

ADDRESSES: Submit your comments, identified by Docket ID No. EPA-R05-OAR-2014-0705, by one of the following methods:

1. www.regulations.gov: Follow the on-line instructions for submitting comments.
2. E-mail: aburano.douglas@epa.gov.
3. Fax: (312) 408-2279.
4. Mail: Doug Aburano, Chief, Attainment Planning and Maintenance Section, Air Programs Branch (AR-18J), U.S. Environmental Protection Agency, 77 West Jackson Boulevard, Chicago, Illinois 60604.
5. Hand Delivery: Doug Aburano, Chief, Attainment Planning and Maintenance Section, Air Programs Branch (AR-18J), U.S. Environmental Protection Agency, 77 West Jackson Boulevard, Chicago, Illinois 60604. Such deliveries are only accepted during the Regional Office normal hours of operation, and special arrangements should be made for deliveries of boxed information. The Regional Office official hours of business are Monday through Friday, 8:30 a.m. to 4:30 p.m., excluding Federal holidays.

Instructions: Direct your comments to Docket ID No.

EPA-R05-OAR-2014-0705. EPA's policy is that all comments received will be included in the public docket without change and may be made available online at www.regulations.gov, including any personal information provided, unless the comment includes information claimed to be Confidential Business

Information (CBI) or other information whose disclosure is restricted by statute. Do not submit information that you consider to be CBI or otherwise protected through www.regulations.gov or e-mail. The www.regulations.gov website is an "anonymous access" system, which means EPA will not know your identity or contact information unless you provide it in the body of your comment. If you send an e-mail comment directly to EPA without going through www.regulations.gov your e-mail address will be automatically captured and included as part of the comment that is placed in the public docket and made available on the Internet. If you submit an electronic comment, EPA recommends that you include your name and other contact information in the body of your comment and with any disk or CD-ROM you submit. If EPA cannot read your comment due to technical difficulties and cannot contact you for clarification, EPA may not be able to consider your comment. Electronic files should avoid the use of special characters, any form of encryption, and be free of any defects or viruses. For additional instructions on submitting comments, go to Section I of the SUPPLEMENTARY INFORMATION section of this document.

Docket: All documents in the docket are listed in the www.regulations.gov index. Although listed in the index, some information is not publicly available, e.g., CBI or other

information whose disclosure is restricted by statute. Certain other material, such as copyrighted material, will be publicly available only in hard copy. Publicly available docket materials are available either electronically in www.regulations.gov or in hard copy at the Environmental Protection Agency, Region 5, Air and Radiation Division, 77 West Jackson Boulevard, Chicago, Illinois 60604. This facility is open from 8:30 a.m. to 4:30 p.m., Monday through Friday, excluding Federal holidays. We recommend that you telephone Kathleen D'Agostino, Environmental Engineer, at (312) 886-1767 before visiting the Region 5 office.

FOR FURTHER INFORMATION CONTACT: Kathleen D'Agostino, Environmental Engineer, Attainment Planning and Maintenance Section, Air Programs Branch (AR-18J), Environmental Protection Agency, Region 5, 77 West Jackson Boulevard, Chicago, Illinois 60604, (312) 886-1767, dagostino.kathleen@epa.gov.

SUPPLEMENTARY INFORMATION: Throughout this document whenever "we," "us," or "our" is used, we mean EPA. This supplementary information section is arranged as follows:

- I. What Should I Consider as I Prepare My Comments for EPA?
- II. What Is the Background for This Action?
- III. What Is EPA's Analysis of the Variance for IPH and Medina Valley?

IV. What Action Is EPA Taking?

V. Incorporation by Reference.

VI. Statutory and Executive Order Reviews.

I. What Should I Consider as I Prepare My Comments for EPA?

When submitting comments, remember to:

1. Identify the rulemaking by docket number and other identifying information (subject heading, Federal Register date and page number).
2. Follow directions - EPA may ask you to respond to specific questions or organize comments by referencing a Code of Federal Regulations (CFR) part or section number.
3. Explain why you agree or disagree; suggest alternatives and substitute language for your requested changes.
4. Describe any assumptions and provide any technical information and/or data that you used.
5. If you estimate potential costs or burdens, explain how you arrived at your estimate in sufficient detail to allow for it to be reproduced.
6. Provide specific examples to illustrate your concerns, and suggest alternatives.
7. Explain your views as clearly as possible, avoiding the use of profanity or personal threats.
8. Make sure to submit your comments by the comment period

deadline identified.

II. What Is the Background for This Action?

Regional haze is visibility impairment that is caused by the cumulative emissions of fine particles (PM_{2.5}) (e.g., sulfates, nitrates, organic carbon, elemental carbon and dust) and its precursors (sulfur dioxide (SO₂), nitrogen oxides (NO_x), and in some cases ammonia and volatile organic compounds) from numerous sources over a wide geographic area. Fine particulate precursors react in the atmosphere to form PM_{2.5}. Aerosol PM_{2.5} reduces the clarity and distance one can see by scattering and absorbing light.

The visibility protection program under sections 169A, 169B, and 110(a)(2)(J) of the CAA is designed to protect visibility in national parks and wilderness areas (Class I areas). On December 2, 1980, EPA promulgated regulations, known as "reasonably attributable visibility impairment (RAVI), to address visibility impairment in Class I areas that is reasonably attributable to a single source or small group of sources. On July 1, 1999, EPA promulgated the Regional Haze Rule which revised existing visibility regulations to incorporate provisions addressing regional haze impairment. EPA's Regional Haze Rule, as codified in Title 40 Code of Federal Regulations Part 51.308 (40 CFR 51.308), requires states

to submit regional haze SIPs. Among other things, the regional haze SIPs must include provisions requiring certain sources install and operate best available retrofit technology (BART).

At 40 CFR 51.308(e)(2), the regional haze rule allows states to meet BART requirements by mandating alternative measures in lieu of mandating source-specific BART, so long as the alternative measures provide better visibility protection. Given the regional nature of visibility impairment, an alternative that results in lower emissions of SO₂ and NO_x will generally provide better visibility protection. Thus, in the absence of a difference in the spatial distribution of emissions, a modeling analysis is generally not necessary to be able to conclude that an alternative strategy with lower SO₂ and NO_x emissions provides better visibility protection.

On June 24, 2011, Illinois submitted a plan to address the requirements of the Regional Haze Rule, as codified at 40 CFR 51.308. EPA approved Illinois' regional haze SIP on July 6, 2012 (77 FR 39943). In its approval, EPA determined that the emission reductions from sources included in the Illinois plan are significantly greater than even conservative definitions of BART applied to BART subject units (77 FR 39945). EPA also addressed whether the Illinois plan, achieving greater emission reductions overall than the application of BART on BART-subject

units, can also be expected to achieve greater visibility protection than application of BART on BART-subject units. Given that, in general, the Illinois power plants are substantial distances from any Class I area, and given that the averaging in Illinois' plan is only authorized within the somewhat limited region within which each utility's plants are located, EPA determined that a reallocation of emission reductions from one plant to another is unlikely to change the visibility impact of those emission reductions significantly. Consequently, EPA concluded that the significantly greater emission reductions that Illinois required in its regional haze SIP will yield greater progress toward visibility protection as compared to the benefits of a conservative estimate of BART.

One of the rules approved in that action to meet BART requirements is 35 Illinois Administrative Code (Ill. Adm. Code) rule 225.233 Multi-Pollutant Standard (MPS), specifically subsections (a), (b), (e), and (g). Section 225.233(e)(3)(C) contains the sulfur dioxide (SO₂) emission standards applicable to the Ameren MPS Group. Section 225.233(e)(3)(C)(i) establishes an overall SO₂ annual emission rate for EGUs in the Ameren MPS group of 0.50 pounds per million Btu (lb/mmBtu) for calendar years 2010 through 2013. Section 225.233(e)(3)(C)(ii) establishes an overall SO₂ annual emission rate for EGUs in the

Ameren MPS group of 0.43 lb/mmBtu for calendar year 2014.

Section 225.233(e) (3) (C) (iii) establishes an overall SO₂ annual emission rate for EGUs in the Ameren MPS group of 0.25 lb/mmBtu for calendar years 2015 and 2016. Section 225.233(e) (3) (C) (iv) establishes an overall SO₂ annual emission rate for EGUs in the Ameren MPS group of 0.23 lb/mmBtu beginning in calendar year 2017 and continuing each calendar year thereafter.

On November 21, 2013, the Illinois Pollution Control Board (IPCB) granted IPH and Medina Valley a variance from the applicable requirements of Section 225.233(e) (3) (C) (iii) for a period beginning January 1, 2015, through December 31, 2019, and Section 225.233(e) (3) (C) (iv) for a period beginning January 1, 2017, through December 31, 2019, subject to certain conditions. IEPA submitted the variance as a revisions to the Illinois Regional Haze SIP on September 3, 2014. The IPH facilities included in the Ameren MPS group and subject to the variance include: Coffeen Energy Center (Montgomery County), Duck Creek Energy Center (Fulton County), E.D. Edwards Energy Center (Peoria County), Joppa Energy Center (Massac County), and Newton Energy Center (Jasper County). The two Medina Valley facilities included in the Ameren MPS group and subject to the variance are the Meredosia Energy Center (Morgan County) and the Hutsonville Energy Center (Crawford County).

III. What Is EPA's Analysis of the Variance for IPH and Medina Valley?

As stated above, the IPCB granted IPH and Medina Valley a variance from the requirement of Section 225.233(e)(3)(C)(iii) to comply with an overall SO₂ annual emission rate of 0.25 lb/mmBtu in 2015 and 2016 for the time period from January 1, 2015, through December 31, 2019, and from the requirement of Section 225.233(e)(3)(C)(iv) to comply with an overall SO₂ annual emission rate of 0.23 lb/mmBtu for the time period from January 1, 2017 through December 31, 2019. This variance was granted subject to numerous conditions including, but not limited to, the following:

1. The IPH facilities in the Ameren MPS group must comply with an overall SO₂ annual emission rate of 0.35 lb/million Btu from January 1, 2015, through December 31, 2019, and an overall SO₂ annual emission rate of 0.23 lb/mmBtu beginning on January 1, 2020.
2. Medina Valley must not operate the EGUs at Meredosia and Hutsonville Power stations until after December 31, 2020, except that the FutureGen project at the Meredosia Energy Center is exempt from this restriction.
3. Through December 31, 2019, IPH must continue to burn low sulfur coal at the E.D. Edwards, Joppa, and Newton Energy

Centers. The combined annual average stack SO₂ emissions of these three stations must not exceed 0.55 lb/mmBtu on a calendar year annual average basis.

4. Through December 31, 2019, IPH must operate the existing Flue Gas Desulfurization systems at the Duck Creek and Coffeen Energy Centers to achieve a combined SO₂ removal rate of at least 98 percent on a calendar year annual average basis.
5. IPH must permanently retire E.D. Edwards Unit 1 as soon as allowed by the Midcontinent Independent Transmission System Operator, Inc. (now called the Midcontinent Independent System Operator).
6. From the time period beginning October 1, 2013, through December 31, 2020, IPH must limit the MPS Group system-wide mass emissions of SO₂ to no more than 327,996 tons.
7. For the time period beginning October 1, 2013, through December 31, 2020, IPH must report annually to IEPA the combined tons of mass SO₂ emissions and the overall SO₂ annual emissions rate from its five Ameren MPS group facilities. The report must show the mass SO₂ emissions for each time period (October 1, 2013 through December 31, 2013, and each year thereafter) along with a running total of the remaining emissions available under the

system-wide mass SO₂ emissions limit.

8. The variance also includes a condition with a schedule for completing the flue gas desulfurization project at the Newton Power Station, with major equipment components in position by September 1, 2019, and requirements for IPH to file annual progress reports with IEPA from 2013 through 2019.

In evaluating the variance submitted by Illinois, EPA assessed the effect the variance would have on the emissions reductions expected under the MPS as currently approved into the Regional Haze SIP. Under the conditions of the currently approved Regional Haze SIP, the Ameren MPS group would be expected to emit 335,774 tons of SO₂ for the 2013-2020 time period. Under the variance, the Ameren MPS group is limited to 327,996 tons of SO₂ over that same time period; 7,778 tons less than would be expected under the current SIP.

In addition, EPA evaluated the variance to ensure that the alternative measures contained in the variance continue to provide better visibility protection than the application of BART on BART-subject units. Because the deadline for implementation of BART level controls in Illinois is 2017 (within 5 years of approval of Illinois' SIP), EPA compared the 2017 emissions under the variance to the application of typical

Best Available Control Technology (BACT) control levels to the BART subject units in the Ameren MPS group. BACT limits are imposed on new units or units undergoing major modifications. Therefore, BART limits, which by definition apply to relatively old existing units, are unlikely to be lower than the limits that would apply to a new unit and would in many cases be significantly higher.

Table 1: Comparison of Emissions Reductions at Ameren MPS Group Units under the Variance versus Emissions Reductions from Application of BACT Limits to BART Subject Units

Facility/Unit		MMBtu	Base Year		BACT (0.06# /MMBtu)		Variance (2017)		
			#/MMBtu	Emissions (tons)	Emissions (tons)	Reduction (tons)	#/MMBtu	Emissions (tons)	Reduction (tons)
Cofeen	1	18,570	1.54	14,332	557	13,775	0.35	3,250	11,082
Cofeen	2	37,545	1.49	27999	1,126	26,873	0.35	6,570	21,429
Duck Creek	1	22,635	0.97	11026	679	10,347	0.35	3,961	7,065
E D Edwards	1	6,417	3.55	11399	--		0.35	1,123	10,276
E D Edwards	2	17,222	1.70	14666	517	14,149	0.35	3,014	11,652
E D Edwards	3	15,972	1.21	9683	479	9,204	0.35	2,795	6,888
Hutsonville	5	3,161	4.53	7163	--	0	0	-	7,163
Hutsonville	6	3,443	4.53	7791	--	0	0	-	7,791
Joppa	1	13,548	0.51	3441	--	0	0.35	2,371	1,070
Joppa	2	16,258	0.51	4139	--	0	0.35	2,845	1,294
Joppa	3	15,396	0.51	3947	--	0	0.35	2,694	1,253
Joppa	4	13,402	0.52	3488	--	0	0.35	2,345	1,143
Joppa	5	15,094	0.52	3932	--	0	0.35	2,641	1,291
Joppa	6	16,063	0.52	4182	--	0	0.35	2,811	1,371
Meredosia	1	1,134	5.02	2844	--	0	0	-	2,844
Meredosia	2	1,337	5.02	3356	--	0	0	-	3,356
Meredosia	3	1,069	5.04	2694	--	0	0	-	2,694
Meredosia	4	1,406	5.00	3518	--	0	0	-	3,518
Meredosia	5	10,810	2.34	12639	--	0	0	-	12,639
Newton	1	40,631	0.45	9046	--	0	0.35	7,110	1,936
Newton	2	38,533	0.46	8823	--	0	0.35	6,743	2,080
Totals		309,646		170,108		74,348		50,275	119,833

Table 1 shows SO₂ emissions reductions of 74,348 tons in 2017 if typical BACT limits were applied to BART subject

sources in the Ameren MPS group. With the variance, Table 1 shows SO₂ emissions reductions of 119,833 tons in 2017. More reductions are required in 2017 under the variance than would be required by the application of typical BACT limits to BART subject sources. Even assuming that the 22,360 MMBtu generated at the Hudsonville and Meredosia units would be shifted to other units in the group, applying the 0.35 pound/MBtu group average results in an additional 3,913 tons of emissions under the variance in 2017, or a total of 54,188 tons of SO₂. This would result in 2017 SO₂ emissions reductions under the variance of 115,920 tons, which remains 41,572 tons greater than emissions reductions under the application of BACT at BART subject sources. In addition, for the reasons set forth in EPA's approval of the Illinois regional haze sip (77 FR 39946) and summarized above, EPA continues to conclude that the significantly greater emission reductions required under the variance will yield greater progress toward visibility protection as compared to the benefits of a conservative estimate of BART. Therefore, EPA concludes that the revised limits under the variance continue to satisfy BART requirements for the Ameren MPS Group sources.

In evaluating the approvability of the variance, EPA must also consider whether the SIP revision meets the requirements of

section 110(l) of the CAA, 42 U.S.C. 7410(l). To be approved, a SIP revision must not interfere with any applicable requirement concerning attainment, reasonable further progress, or any other applicable requirement of the CAA. Currently, the SIP establishes overall annual SO₂ emissions rates for the Ameren MPS Group, beginning in 2010. The SIP allows flexibility in achieving these overall emissions rates, not requiring reductions at any particular source. It should be noted that none of the Ameren MPS Group sources are located in a PM_{2.5} nonattainment area and the only source located in an SO₂ nonattainment area is the E.D. Edwards facility in Peoria County. The variance adds specific conditions applicable to this facility, including the requirement that the E.D. Edwards, Joppa, and Newton Energy Centers continue to burn low sulfur coal through December 31, 2019, and that E.D. Edwards permanently retire Unit 1 as soon as allowed by the Midcontinent Independent Transmission System Operator, Inc. The variance will not result in any increase in SO₂ emissions, but rather will result in fewer SO₂ emissions over the 2013-2020 time period. In addition, the measures contained in the variance provide better visibility protection than the application of BART on BART-subject units. Therefore, the variance will not interfere with attainment, reasonable further progress, or any other applicable

requirement of the CAA.

IV. What Action Is EPA Taking?

EPA is proposing to approve the IPH and Medina Valley variance, submitted by IEPA on September 3, 2014, as a revision to the Illinois Regional Haze SIP.

V. Incorporation by Reference.

In this rule, EPA is proposing to include in a final EPA rule regulatory text that includes incorporation by reference. In accordance with requirements of 1 CFR 51.5, the EPA is proposing to incorporate by reference Illinois Pollution Control Board Order PCB 14-10, effective November, 21, 2013. The EPA has made, and will continue to make, these documents generally available electronically through www.regulations.gov and/or in hard copy at the appropriate EPA office (see the ADDRESSES section of this preamble for more information).

VI. Statutory and Executive Order Reviews.

Under the CAA, the Administrator is required to approve a SIP submission that complies with the provisions of the CAA and applicable Federal regulations. 42 U.S.C. 7410(k); 40 CFR 52.02(a). Thus, in reviewing SIP submissions, EPA's role is to approve state choices, provided that they meet the criteria of the CAA. Accordingly, this action merely approves state law as meeting Federal requirements and does not impose additional

requirements beyond those imposed by state law. For that reason, this action:

- Is not a "significant regulatory action" subject to review by the Office of Management and Budget under Executive Order 12866 (58 FR 51735, October 4, 1993);
- Does not impose an information collection burden under the provisions of the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*);
- Is certified as not having a significant economic impact on a substantial number of small entities under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*);
- Does not contain any unfunded mandate or significantly or uniquely affect small governments, as described in the Unfunded Mandates Reform Act of 1995 (Public Law 104-4);
- Does not have Federalism implications as specified in Executive Order 13132 (64 FR 43255, August 10, 1999);
- Is not an economically significant regulatory action based on health or safety risks subject to Executive Order 13045 (62 FR 19885, April 23, 1997);
- Is not a significant regulatory action subject to Executive Order 13211 (66 FR 28355, May 22, 2001);

- Is not subject to requirements of Section 12(d) of the National Technology Transfer and Advancement Act of 1995 (15 U.S.C. 272 note) because application of those requirements would be inconsistent with the CAA; and
- Does not provide EPA with the discretionary authority to address, as appropriate, disproportionate human health or environmental effects, using practicable and legally permissible methods, under Executive Order 12898 (59 FR 7629, February 16, 1994).

This rule is not approved to apply on any Indian reservation land or in any other area where EPA or an Indian tribe has demonstrated that a tribe has jurisdiction. In those areas of Indian country, the rule does not have tribal implications as specified by Executive Order 13175 (65 FR 67249, November 9, 2000), nor will it impose substantial direct costs on tribal governments or preempt tribal law.

List of Subjects in 40 CFR Part 52

Environmental protection, Air pollution control,
Incorporation by reference, Intergovernmental relations,
Particulate matter, Reporting and recordkeeping requirements,
Sulfur oxides.

Dated: April 2, 2015.

Susan Hedman,
Regional Administrator, Region 5.

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