



MPUA

Missouri Public Utility Alliance

VIA ELECTRONIC MAIL
(original via U.S. Mail)

Mr. John C. Dupree
Office of Enforcement and
Compliance Assurance
USEAP Headquarters
Ariel Rios Building – Mail Code 2223A
1200 Pennsylvania Avenue, N.W.
Washington, DC 20460

RE: 40 CFR Part 63 National Emission Standards for Hazardous Air Pollutants for Reciprocating Internal Combustion Engines; Final Rule Dated March 3, 2010

Dear Mr. Dupree:

The Missouri Joint Municipal Electric Utility Commission (MJMEUC) is Missouri's joint action agency for approximately 80 communities within the state that sell electric power at retail to their citizen-owners as the Local Distribution Company in their community. In some cases individual communities will generate most or all of its electric power from local resources, in other communities most or all electric power is purchased from outside sources. In its role MJMEUC provides full power requirements to 35 cities and partial requirements to more than 15 additional cities. As a wholesaler of electrical power, the MJMEUC System contracts with a number of cities to utilize local generation capabilities to provide the necessary level of capacity for our system. Presently we have contracts on approximately 350 megawatts of power, much of it coming from about 250 Stationary Compression Ignition Reciprocating Internal Combustion Engines (CI-RICE). As you can imagine, this rule will have significant impacts on our members and upon our operations.

Over the last several weeks, our staff, our member representatives, industry representatives and our state regulators have met repeatedly to discuss and better understand the requirements laid out in the above referenced rule. During those extended discussions a number of questions have arisen over the interpretation and the likely implementation of these new rules.

In each of the following questions, when we refer to an owner, that owner is a municipal electric

utility providing power to the citizens of their community. Additionally whenever the term generator is used, it is referring to a unit with an internal combustion engine which would be covered by the terms and conditions of this rule.

Accordingly we are seeking clarification on the following issues:

1. The rule appears to be clear that an engine categorized for emergency use only is not permitted to supply power to an electric grid or otherwise supply non-emergency power as part of a financial arrangement with another entity. However, electricity is often generated during the process of running the engine for maintenance or reliability testing which is an authorized activity for an emergency engine. What may the owner of the engine legally do with the power that is generated during this process? May the electricity be fed back into the owner's electric distribution system for sale to its citizen customers?
2. The primary purpose of emergency back-up generators is to provide power to its customers when the normal supplier is unable to provide electricity to the municipal utility. However at the same time, the rule prohibits generation *"to generate income for a facility to supply power to an electric grid or otherwise supply power as part of a financial arrangement with another entity"*. Some Missouri municipal utilities within the past few years have had to run these power plants in excess of two weeks on one occasion when an ice storm destroyed transmission lines crossing the Mississippi River into the town. Would the phrase *"a financial arrangement with another entity"* include service agreements with municipal customers? In other words, if the power plant is operated during a time that would meet the qualifications of an emergency, can the municipality receive payment for the generated electricity at the same rates they would have charged customers during normal operations?
3. It is clear that an emergency generator can be used *"when power from the local utility . . . is interrupted"* leaving the impression that all power coming into the community must be lost before Emergency RICE can be used. First is it the position of EPA that emergency generators can only be used under the conditions spelled out in this rule whenever all power is lost to the community?

Second, there are times when electric power suppliers are not able to sustain voltage on the transmission lines at a level where attached devices either can function, or can function without causing damage to motors, circuits, controls, etc. While power has not been interrupted, usable power that doesn't damage equipment has been interrupted. Would a situation where the regular electric power supplier is incapable of providing power at appropriate voltage levels, and when the local utility has no control over the voltage levels

coming to their distribution system, permit a local municipality to utilize its emergency generators to maintain voltage at normal commercial levels and still remain in compliance with this rule?

4. The term “Emergency” is generally defined as a sudden, unplanned and unforeseen event. However there are times when transmission is terminated on a planned basis, for instance to conduct maintenance on the transmission lines themselves. While the event outlined above which precipitates the loss of power is not an emergency, the lack of power from a sole supplier creates the same conditions in the community as if the transmission lines had been lost during conventional emergency events. The loss of power itself will create emergency conditions in the community since this service termination will be measured in minutes and hours rather than in seconds. Does the event described allow a local community to operate an Emergency RICE to meet local community needs until such time as the transmission line is capable of meeting local needs? Or is this the use for which the rule allocates up to 50 hours per year (less any time allocated to an RTO Demand Response System) for non-emergency events.

5. Units that will be run as Non-Emergency RICE units are required to secure an initial certification as part of compliance with this rule. In order to demonstrate that the unit including required emission controls meets the requirements for reductions of emissions, emission readings with and without the emission control device will be conducted. Permit limits on these units have historically been based on fleet averages and have not been subject to individual compliance testing. In the course of certifying these engines for operation, actual emissions from individual units may vary from those projected. What direction either verbally or through guidance documents is USEPA or EPA Region VII providing to state regulators or EPA inspectors about deviations from projected emissions which may provide preliminary indication that the unit has been emitting in excess of existing air permits?

6. The rule references a CI-RICE engine which appears to be classified as a nonemergency limited use engine

*Owners and operators of existing stationary **nonemergency CI RICE** that are greater than 500 HP and located at area sources and **are limited use stationary RICE** must conduct an initial performance test and must test every 8,760 hours of operation or 5 years, whichever comes first, to demonstrate that they are achieving the required emission standards.*

(Emphasis added)

However a review of the definition section does not appear to address this concept. It is

unclear from the rule what conditions must be met for a nonemergency stationary CI RICE to be categorized as “limited use”. We understand that an emergency engine can provide some limited use as a conventional generator subject to a 50 hour annual limit, but that is an emergency CI RICE engine. What is a non-emergency limited use engine and what are the parameters for its lawful uses under this rule?

CONCLUSION

MPUA and its member cities intend to comply with the rules outlined in 40 CFR Part 63 National Emission Standards for Hazardous Air Pollutants for Reciprocating Internal Combustion Engines; Final Rule Dated March 3, 2010. In order to do so, it is necessary to more clearly understand the intention of the agency in this rule. Therefore we respectfully requests that USEPA review the submitted material and provide written responses so that we might better be able to approach compliance with this final rule.

If any of this material is unclear, or if there is a need for additional information, please do not hesitate to contact us at 573-445-3279 or at fgilzow@mpua.org.

Sincere regards,

Floyd Gilzow
Director of Member Relations and Public Affairs

pc: R Webb, Region VII EPA (via electronic mail)
J Kavenaugh, Air Conservation Program, Missouri Department of Natural Resources

