

**AIR RESOURCES COUNCIL
MINUTES OF MEETING #225
08/18/14**

MEMBERS PRESENT: Vice-Chairman David Collins, Raymond Donald, Georgia Murray (via conf. call), Carmela Amato-Wierda, William Smagula, Kris Blomback, Deborah Chabot

MEMBERS NOT PRESENT: Robert Duval, Debra Hale, Ryan Bielagus

NHDES – ARD PERSONNEL: Craig Wright, Gary Milbury

OTHERS PRESENT: Anne Keach, Paula Scott

Call to Order:

Vice-Chairman David Collins called Meeting #225 of the Air Resources Council (ARC) to order at 9:05 a.m. on Monday, August 18, 2014. Vice-Chairman Collins announced that a quorum of the ARC was present.

Approval of Minutes:

Raymond Donald entered a motion to accept the minutes of meeting #224. William Smagula seconded the motion. All were in favor. The motion carried. The minutes of ARC meeting # 224 of April 21, 2014, were approved and accepted by the ARC.

Division Activities & Legislative Update:

Vice-Chairman Collins introduced Craig Wright, Director of the Air Resources Division (ARD). Mr. Wright briefly updated members of the ARC issues relative to the Air Resources Division, including:

Ozone Action Days

Director Wright reported that no ozone action days have been declared in New Hampshire in 2014. He stated that one exceedance was reported on Pack Monadnock, which was an indicator of transport. In early August, a moderate reading on the lower end of the Air Quality Index threshold was recorded for particulate matter due to the wildfires in the West.

Budget

Director Wright reported that the Maintenance Budget will be submitted to the Governor's Office in September, which included the elimination of approximately nineteen vacant positions. He added that the Operating Budget will maintain level funding.

Permitting Activities

Director Wright announced that on August 4, 2014, the New Hampshire Supreme Court accepted the Appeal of Katherine Lajoie & a., Case No. 2014-0242, regarding Wheelabrator Claremont Company. The Order states that the case is eligible for mediation. Director Wright added that Ms. Lajoie has filed a Petition for the EPA to investigate New Hampshire's Title V Permitting Program.

Director Wright stated that a Title V Operating permit was issued to Public Service Company of New Hampshire – Schiller Station. The deadline for appeal to the ARC expired on May 14, 2014, however a Citizen Petition was filed with the EPA by the New Hampshire Sierra Club. Director Wright expects to have monitoring established in Eliot, Maine by the end of September 2014.

2014 New Hampshire Air Conference

Director Wright informed members of the ARC that the 2014 NH Air Conference, held on June 5, 2014, was a great success. The Conference, hosted by the NH Business and Industry Association and the NHDES featured presentations from the NHDES and some of the State's most prominent environmental consultants and lawyers, and provided an opportunity to update sources on revised regulations and a refresher on existing regulations. Presentations included:

- Air Permitting Overview
- Air Toxics
- NH Climate Action Plan
- Emerging Issues
- Boiler Area Source and Reciprocating Internal Combustion Engines (RICE) Rules
- Compliance Strategies

Georgia Murray asked Director Wright for an update on the proposed Carbon Standards. Mr. Wright responded that the Clean Air Scientific Advisory Committee is expected to make final recommendations in December 2014.

Section 111 (d) Overview

Director Wright provided members of the ARC with an overview of the Environmental Protection Agency's (EPA) Proposed Clean Power Plan:

- June 2013 – President directs EPA to use the Clean Air Act (CAA) to reduce carbon pollution from both new and existing power plants under Section 111(b) and 111(d).
- Under the CAA, once EPA develops a standard under 111(b) and the pollutant is not regulated as a National Ambient Air Quality Standard (NAAQS) or Hazardous Air Pollutant (HAP) pollutant, then EPA must proceed with a 111(d) standard for existing sources.
- CO₂ is not covered as a NAAQS or HAP.
- The EPA was directed to build on state leadership, provide flexibility, and take advantage of a wide range of energy sources and technologies to build a cleaner power sector.
- EPA's projected Benefits include:
 - By 2030, reduce U.S. CO₂ emissions from the power sector by approximately 30% from 2005 levels
 - Significant reductions will begin by 2020
 - Cut hundreds of thousands of tons of harmful particle pollution, sulfur dioxide, and nitrogen oxides as a co-benefit
 - From soot and smog reduction alone, for every \$1 invested, families will see up to \$7 in health benefits
 - Avoid an estimated 2,700 to 6,600 premature deaths and 140,000 to 150,000 asthma attacks in 2030
 - Lead to health and climate benefits worth an estimated \$55 billion to \$93 billion in 2030
- EPA's Action for Existing Power Plants include:
 - EPA's proposed emission guidelines released Monday June 2, 2014
 - Addresses CO₂ pollution from existing power plants on a statewide basis
 - Utilizes Best System of Emission Reductions (BSER) determination
- EPA's 11(d) Rulemaking Timeline:
 - June 2014 – Issue proposed guidelines
 - October 2014 – Comments due to EPA
 - June 2015 – Finalize guidelines

- June 2016 – Initial state plans due
- June 2018 - Regional plans due
- Using NH emissions as an example – 2012 Unadjusted Fossil Rate (lb/MWh):

<u>Coal</u>	<u>Gas</u>	<u>Oil</u>	<u>Total</u>
2,382	878	1,889	-
MWh	MWh	MWh	MWh
1,281,341	6,946,869	72,614	8,300,824

MWh weighted total NH fossil emissions

= 4.64 million tons base emissions in 2012

= 1,117 lb/MWh = NH's Starting Point

- New Hampshire's Building Block #1 – Coal Plant Heat Rate Improvement
 - Coal – EOA assumes a potential 6% improvement
 $2,382, \text{ lb/MWh coal rate} \times 0.06 = 143 \times 1,281,341 \text{ MWh} (\div 2000)$
 $= 0.091 \text{ million tons reduction to } = 4.55 \text{ million tons}$
- New Hampshire's Building Block #2 – Re-Dispatch to More Natural Gas
 - If coal and oil fired generation were re-dispatched to gas
 $878 \text{ lb/MWh gas rate} \times 8,300,824 \text{ MWh total fossil generation} = 3.64 \text{ million tons}$
- New Hampshire's Building Block #3 – Renewables and Partial Avoidance of Nuclear Retirement
-
- New Hampshire's Building Block #4 – Increasing Energy Efficiency
-
- Prior Northeast State Leadership Action
 - Regional Greenhouse Gas initiative (RGGI) implemented in 2009 in NH, CT, DE, MA, MD, ME, NJ, NY, RI, VT
 - Updated more stringent cap – 2014
 - Key 11(d) issues include:
 - 9 state implementation plan
 - 111(d) proposes 2012 baseline – No credit for early reductions
 - EPA assumes all states will achieve RPS goals
 - Equity across states
 -
- ISO NE grid states with RGGI partner states are analyzing EPA proposal, and anticipate that any 111(d) plan will include RGGI as a cornerstone

Status of Appeals

Paula Scott, Appeals Clerk presented the status of appeals before the ARC as follows:

Docket No. 13-4 ARC – Winmill Equipment Co., Inc. regarding Administrative Order No. 13-009 ARD issued on May 30, 2013. The ARC received the Notice of Appeal on July 1, 2013. On July 2, 2013, the ARC issued an insufficient appeal letter. On July 15, 2013, the ARC received a revised Notice of Appeal. On July 22, 2013, the ARC issued a receipt of the Revised Appeal. On August 19, 2013, the ARC received a Notice of Appearance from Kerry Barnsley for the NHDES. On September 13, 2013, the ARC issued a Notice of Pre-hearing Conference scheduled for October 8, 2013 at 4:00 p.m. On September 24, 2013, the ARC issued notice of the Pre-Hearing Conference time change from 4:00 p.m. to 8:30 a.m. on October 8, 2013. The Pre-hearing Conference was held on October 8, 2013 and a Pre-Hearing Order was issued. The continued Pre-Hearing Conference is scheduled for January 14, 2014, at 8:30 a.m. On November 15, 2013, a notice of the rescheduled continued Pre-hearing Conference for January 13, 2013 was sent. On January 10, 2014, the ARC received an Assented to Motion to Continue. On January 10, 2014, the ARC issued a letter granting the Motion to Continue and rescheduling the PHC to March 13, 2014. On March 7, 2014 the ARC received a Motion to Continue. On March 12, 2014, the ARC received the Department's response to the Motion. On March 12, 2014 the ARC issued a letter denying Appellant's Motion to Continue the Pre-hearing Conference and on March 13, 2014, issued a second Pre-Hearing Conference with the third Pre-hearing Conference scheduled for May 20, 2014 and a Hearing scheduled for June 16, 2014. An Assented to Motion to Continue hearing was received on May 16, 2014. On May 19, 2014, the ARC issued a letter granting the Motion to Continue. On June 10, 2014, the Assented to motion continue the hearing was received and a letter granting the Motion to continue and schedule a 3rd Pre-hearing Conference for July 7, 2014 was granted on June 11, 2013. On July 7, 2014 the Pre-Hearing order was issued to continue the Pre-hearing Conference to September 8, 2014. On July 25, 2014, the ARC received a Notice of Withdrawal due to settlement. The Docket is closed.

New Business

No new business was taken up by the ARC.

Other Business

Vice-Chairman Collins scheduled the next meeting of the ARC to be held on Monday, September 15, 2014.

Public Commentary

No members of the public were present.

Adjourn

Having no further business to discuss, meeting #225 of the Air Resources Council adjourned at 10:05 a.m. on August 18, 2014.