



VT Dept. of Environmental Conservation Cert. Mail No. 7012 3050 0000 9486 4083
Air Quality and Climate Division
Heidi Hales – Director
Davis Building – 2nd Floor
One National Life Drive
Montpelier, VT 05620-3802

RE: **DRAFT 2016 RGGI Model Rule**

December 2, 2016

Dear Heidi,

It has been a pleasure participating in the discussion on the elements of the draft 2016 RGGI (Regional Greenhouse Gas Initiative) Model Rule, specifically the webinar hosted by RGGI on November 21 and the program review for Vermont stakeholders hosted by the VT Agency of Natural Resources in Montpelier recently on November 29, 2016.

The Burlington Electric Department (BED) wholly supports RGGI initiatives to reduce greenhouse gases and has been a participating partner from the very beginning. It has been an interesting eleven years. And here we are now in the second year of the 3rd three-year control period!

BED has unique stakeholder status in owning/operating one of only two regulated sources in Vermont. The BED Penny Lane Gas Turbine facility possesses a VT Air and CO₂ Budget Permit (OP-08-041), the latter portion reflects the requirements of the existing RGGI Model Rule adopted by each member state.

The BED Penny Lane Gas Turbine facility (ORISPL ID 3754) is also unique due to its low maximum capacity (25 MW), its configuration of two combustion turbines coupled with a single electrical generator, and due to its minimal operation as a reliability/peaking unit.

BED has met all permit and RGGI requirements since the inception of the program including the filing of quarterly reports in EPA's Emissions Collection and Monitoring Plan System (ECMPS). We have also benefitted from the guidance provided by staff in the VT Air Quality and Climate Division over time.

Only the staffs of the regulated facilities, facility designated agents, and state air regulators understand the genesis and regulatory framework of the RGGI monitoring

requirements as these are ostensibly derived from the EPA 40 CFR Part 75 Acid Rain Program regulations.

BED staff anticipated adoption of changes to the RGGI Model Rule might also encompass changes in monitoring/reporting requirements as this is one key activity that underpins program wide success. However, all RGGI public meetings, discussions, and electronically available information materials to date primarily relate only to changes contemplated in the also important IPM modeling.

However, out of necessity, BED also has keen interest in any changes contemplated in RGGI “monitoring” requirements but has not been successful understanding what such changes may entail, hence this submission.

There is concern that an across-the-board change to either a rate-based or mass-based methodology contained in a newly adopted RGGI Rule for regulated facilities would trigger requirements for the installation of new and additional CEMS-like equipment, add additional parameters to be monitored, and require untold amounts of additional staff time for Penny Lane. Such an application of additional resources would not correspond to reductions in CO2 emissions or control nor provide additional data outside of satisfying ECMPS.

The Penny Lane facility’s eight year record in RGGI reporting/ECMPS monitoring plan reflects the facility’s unique configuration and operational profile. The Low Mass Emissions (LME) monitoring plan currently used in the ECMPS is the only Acid Rain Program derived monitoring plan that enabled successful reporting. In its original RGGI permit application, in part as a “low mass emissions” facility, BED underscored how infrequent Penny Lane actually operated. This low or infrequent operating profile has continued for eleven consecutive years during which BED has not been required to register the Penny Lane facility (resulting in an annual fee) as it did not exceed a threshold level of emissions.

Similarly, please consider the BED Penny Lane Gas Turbine ISO New England production record as follows:

YEAR	NON-ZERO HOURS	MWh	MWh/h
2006	42	423	10.1
2007	21	169	8.0
2008	51	326	6.4
2009	28	200	7.1
2010	39	196	5.0
2011	32	225	7.0
2012	18	149	8.3
2013	46	202	4.4
2014	49	198	4.0
2015	37	217	5.9

While the State of Vermont hailed, and BED whole heartedly supports, EPA's Clean Power Plan (CPP) application on the national level, the State of Vermont was one of three states specifically exempted from it, the other states being Hawaii and Alaska. Units such as the Penny Lane Gas Turbine exist in Vermont to back up (i.e. provide reliability functions) to a largely renewable energy production portfolio, which was the basis for Vermont's exclusion from the CPP.

With this submission, BED requests that this unit be excluded from those sections of the proposed model rule that would have the effect of increasing the level of monitoring and reporting for the Penny Lane gas turbine. BED operates this facility to maintain system reliability in the City and the State of Vermont. Indeed, the Penny Lane Turbine is considered to be critical infrastructure during certain times of the year (e.g., hot summer days) even though it typically runs for less than fifty-one hours annually. Due to its criticality and low operating hours, BED contends that subjecting the facility to increased costs due to requirements of the proposed rule would only result in higher electricity rates for consumers but would not materially improve air quality. Ideally, BED request to be excluded would also apply to similarly situated generators that also operate infrequently.

RGGI's review of its Model Rule and IPM modeling largely relates to anticipation and possible implementation of the CPP. It is hoped that BED's Penny Lane Gas Turbine can continue participating in RGGI as a regulated facility and that an adoption of a new model rule will not negatively impact the facility's costs, and thus viability, for providing key reliability functions to Burlington and the State of Vermont, with no corresponding material benefit in emissions reduction.

Please call me at (802) 865-7470 if there's additional information we should provide at this time.

Sincerely,

Roger Donegan
Environmental Compliance Officer &
CO2 Authorized Account Representative
Burlington Electric Department