

NYSRC/DEC Conference Call Meeting Notes
August 17, 2017

Attendees:

- John Barnes, Richard Clarkson (DEC)
- Roger Clayton (NYSRC)
- Tanja Grzeskowitz
- Sandra Meier (EEANY)
- Cathy Waxman, (National Grid)
- John Marabella (USNYPP)
- Andy Oliver
- Paul Gioia
- Bill Slade (ConEd)
- Radmila Miletich (IPPNY)
- Chris Wentlent (Constellation)
- Jon Reimann

1. RGGI review
 - States are working on program review and intend to have another stakeholder meeting this Summer.
2. EPA Clean Power Plan
 - Rules still are stayed.
 - EPA is reviewing its options.
3. NYS Clean Energy Standard
 - See notes under Brattle Report
4. EPA Cross State Air Pollution Rule (CSAPR)
 - August 30 stakeholder meeting tentative (update – the meeting will be held on September 5, 2017 from 1-3 pm)
 - Will look at ozone season NOx program as well (Part 243)
 - Intend to have a formal comment process in October
 - EPA intends to issue conditional approval and to allow allowances to come into accounts, after comment period is complete.
 - DEC rulemakings to be completed by December 29 of this year
5. EPA Proposed Methane regulations
 - DEC looking to incorporate Federal rule into DEC rules
 - Starting stakeholder process next month and will have more general meetings later
6. NYSRC Min Oil Burn Rules (LOGMOB)
 - NYC Council Bill 1465 – advancing phase out of Number 4 oil
 - Astoria of Eastern Generation will not be able to continue as a dual-fuel unit under this outcome.
 - NYSRC and NYC Council to speak with Eastern Generation about its dual-fuel status

- 7. Indian Point update
 - NYISO has announced they will analyze retirement of Indian Point in its planning process, in advance of receiving a retirement notice, in terms of a reliability impact; study to be completed in fourth quarter of this year.
 - Need to have time to start planning for any reliability need
 - Need to look at overall impact on the Hudson Valley
- 8. REV update
 - No update
- 9. Peaker turbine air quality
 - DEC is starting to draft the express terms based upon one-page outline that was distributed (copy attached).
 - May of 2022 – NO_x limits would be reduced
 - Phasing out system averaging by May of 2024
 - Rationale for phasing out is that the units need to meet the limit; emissions from these units are much higher
 - Need to address emissions from operations on worst air quality days
 - Allows averaging with renewables
 - Intend to have stakeholder meeting with generators in middle of next month and then broader stakeholder meeting afterwards
 - Could have draft of express terms prior to stakeholder meeting
 - DEC open to receiving comments prior to stakeholder meeting
 - Installation of controls leads to increase in CO; need more definitive relief from this increase, in terms of operations
 - Zone K is 1,300 to 1,500 MW
 - About 3,000 MW otherwise
 - Need to look at reliability impacts
 - Need to consider costs of operations for limited time period and ability to meet the emission limits
 - Compliance timeframe is not realistic.
 - DEC wants input on compliance timeframe.
 - DEC has met with NYISO and will continue the dialogue.
- 10. Regulatory update
 - National Ambient Air Quality Standards (NAAQS)
 - SO₂ & NO₂ One Hour Standards
 1. EPA is on schedule to issue SO₂ designations by December 31, 2017 statewide with the exception of Erie, Niagara, St. Lawrence, Tompkins and Seneca Counties. Erie and Niagara Counties have already been designated unclassifiable/attainment and the other three counties will be designated based on monitoring by December 31, 2020.
 2. Erie and Niagara Counties still are demonstrating compliance and a report was submitted in June 2017 with data supporting that finding.
 - 2008 O₃ NAAQS
 - A reclassification to “serious” non-attainment from “moderate” nonattainment would extend compliance deadline to July 20, 2021 from July 20, 2018.

- SIP is under public comment and subject of one hearing in Long Island City.
- Need to reach attainment by July 20, 2021 (based on 2020 design values)
- Not clear yet how attainment will be reached
- Section 185 deals with fees on Title V holders, if they go above a baseline emission level; this approach is not likely (DEC does not have legislative authority to collect such fees, so it would require federal implementation) and would be highly unpopular with units. Section 185 only applies to areas with a “severe” classification; which was the case for the NYC metro area pertaining to the 1990 1-hour ozone standard. DEC submitted a Section 185 equivalency determination in lieu of fees that is currently under review by EPA.
- 2015 O3 Standards
 1. EPA has reversed course and is expected to make most final designations by October 1, 2017.
- EPA Mercury & Air Toxics (MATS)
 - No new update
- RICE Maximum Achievable Control Technology (MACT)
 - No new update
- Distributed Generation Rule (DG)
 - Article 78 challenge
 - Rule has been stayed.
 - DEC has reached settlement with parties to redo the rule.
 - Stipulation is on the DEC website (see www.dec.ny.gov/regulations/104487.html).
 - DEC is working to complete a draft of the rule, prior to the start of stakeholder meetings.
 - Rule might be limited to ozone non-attainment areas.
 - DEC intends to remove variance provisions.
 - Emissions standards could take effect in May 1, 2019 to provide more lead-time.

11. Any Other Business

- Federal Ash Rule – Coal combustion residuals
 - DEC talking to EPA in disposal of coal ash
 - Part 360 deals with disposal of coal ash as industrial waste.
 - Part 360 is at least as protective as EPA rule and puts NYS in good position to meet EPA rule.
 - DEC is currently revising Part 360 and will release it in early September with effective date in November.
 - Participation in Federal rule is voluntary and DEC is deciding what approach to take.
 - DEC intends to provide Part 360 for EPA approval.
- Brattle Report
 - Stakeholder meeting on September 6, 2017
 - Report’s modeling looks at \$40 per ton price of “carbon” and a \$17 per ton RGGI price.
 - Actual price to be set by state regulators
- CO2 Performance Standards for Existing Facilities

- Stakeholder meeting at end of this month (August 21 in Avon; August 28 in Albany)
- Setting CO2 limits for existing facilities
- Affected facilities would be the coal units.
- DEC is not contemplating broader applicability to existing units.

12. Next Meeting

- October 12, 2017 via conference call