

Four Corners Air Quality Task Force
Power Plant Work Group
Conference Call
July 12, 2006
4:00 pm – 4:30 pm

Participants

Mark Jones, NMED; Susan Johnson, NPS; Mike Farley, PNM; Richard Grimes, APS; Maureen Gannon, PNM; Carla Sontag, NMUSA; Marilyn Brown, LWV, LoPlata County; Ted Orf, Orf & Orf; Bob Spillers, NMED

Power Plant Data Table Review

Version 8 is the most recent as of this date, and is posted to the website. Additions include San Juan Generating Station's estimated emission reductions for 2010; estimated mercury emissions for Four Corners Power Plant; and the addition of smaller gas plants: Bluffview Power Plant, Milagro, Animas Power Plant and Bloomfield Generation.

Mitigation Option List A Review

Mark reviewed the current list of potential mitigation options. Additional options since the last review include:

- Harmonization of standards
- Energy conservation
- SJGS efficiency options
- Emission reduction fund: New and existing sources pay x\$ per ton/yr of a given pollutant; funds can then be available to offset capital costs for emission controls for that pollutant (application-grant basis)
- Declining cap and trade program for NO_x. New sources to obtain offsets. Could be EGUs only, or combined with oil and gas.
- Under BART, presumptive BART for SO₂ at Four Corners Power Plant; include emission limit rather than only removal efficiency. SCR/NSCR on units 4&5 at Four Corners Power Plant. Presumptive BART for NO_x at San Juan Generating Station.
- Cross-over issues:
 - Phased construction projects from Other Sources WG
 - Economic Incentives Based Emission Trading System from Oil and Gas WG
 - Tax or economic development incentives from Oil and Gas WG
 - Install electric compression from Oil and Gas WG

Regarding what the Power Plant Work Group should do with the cross-over issues, we have three options:

- Write our own option based on the other WG's option
- Review and add to the other WG's option
- Reference "as is" in Power Plant WG section of Final Report

The next step will be to write up options as chosen in smaller groups. We will discuss each option in Cortez and determine the level of interest, if any, for each. Marilyn wanted to ensure that the options she submitted will be discussed even though she won't be there. **Anyone with additional options can send them to Mark.**

Desert Rock Energy Facility (DREF) Update

The company is currently going through the NEPA process (the federal agency is BIA). URS is preparing a draft Environmental Impact Statement, which should be complete by September, 2006. They plan to have public hearing(s) at that time. Mark would like more participation from DREF, and they mentioned they may send someone from BIA to Cortez (?). Mark also hopes to have a presentation on DREF in Cortez.

Work Schedule Update

The group had at one time discussed proceeding with mitigation options for existing power plants first, however, there is interest in proposed power plants as well as overarching options that would apply more broadly. Mark proposes to proceed with existing and proposed power plant options, and overarching options simultaneously for the next 2 face-to-face meetings. Other power sources (eg, alternatives) and future (unplanned) power plants could be addressed last.

There are many new links on the workgroup's web page. **Any additions for the web page should go to Mark.**

The next meeting is in Cortez, August 9 from 3:00 pm to 7:00 pm. **Anyone willing to take notes there, please let Mark know.** A field trip to Mesa Verde National Park is being arranged for Thursday, August 10, mid-late morning. This will include a tour of the park's air quality monitoring equipment and a general discussion of park history and air quality trends. **Please let Mark know if you are interested in participating.**