

Four Corners Air Quality Task Force
Power Plants Work Group Session
May 9, 2007

Participants:

Mark Jones, NMED-AQB; Susan Johnson, NPS; Mike Eisenfeld, SJCA; Don Anderson, Concerned Citizen; Gordon Glass, Sierra Club; Jack Shuenemeyer, Southwest Statistical Consulting; Richard Grimes, APS; Elouise Brown, DDR, Concerned Citizen; Sug McNall, Concerned Citizen; Stephen Etsitty, NNEPA; Marilyn Brown, LWV La Plata County; Mike Farley, PNM; Mark McMillian; CDPHE

General questions/comments from group:

- Monitoring presentations will be posted on the Task Force website.
- NMED AQB Farmington area enforcement person recently hired has left. They have created an additional position because of large work load. Applications are being solicited. Enforcement people from Santa Fe are covering area in the meantime.
- Regarding the interaction between the NEPA and PSD processes (in the context of Desert Rock): NEPA process looks broader at potential impacts (ie, mercury, etc). The PSD analysis is more limited. Comments on the PSD permit are on EPA website, which is linked from the Power Plant Work Group (PPWG) web site. NEPA/PSD processes are supposed to be concurrent, but have not been. For example, transportation of wastes – to Gallup or back in mine, was not addressed in PSD permit.
- It was noted that EPA Region 9 been not been active in the Task Force, although Steve Frey was on a PPWG call once.
- A new proposed draft ozone standard should be out soon for public comment. If EPA drops ozone level, the Four Corners area would likely put area in nonattainment.
- The American Lung Association issued a recent report looking at certain aspects of air quality around the nation. The rating for Farmington was “good,” with Farmington being the 5th cleanest city in San Juan County, and San Juan County being the 19th cleanest county in the country. The rating considered PM2.5 only over 1 year (monitors at Farmington and Navajo Dam); it did not look at visibility, NOx, SO2 or other pollutants. The ozone grade was “A”, from 2003 – 2005, based on the fact that the area was in attainment during that period. (more details see below)
 - In the ALA report, data used are from 2003-2005 and "cities" are Metropolitan Statistical Areas (MSAs). Natural and exceptional events as flagged in AQS were included in the analysis.

- Regarding annual PM2.5, ALA assigned "pass" to counties attaining the NAAQS and "fail" to counties in nonattainment.
- The "Top 10 Cleanest Cities," including Santa Fe (#2), Farmington (#5), and Albuquerque (#10), as reported by http://blogs.usatoday.com/ondeadline/2007/05/group_releases_.html, is a ranking of the lowest annual PM2.5 design values from 2003-2005. Cities are ranked with county design values - the greatest design value for a county within a MSA determines that MSA's rank. This ranked list appears as Table 5a in the ALA report.
- Regarding 24-hour PM2.5 and ozone, ALA's methodology did not compare design values to NAAQS and assign pass/fail. Rather, ALA used a system based on the Air Quality Index, arriving at weighted annual averages corresponding to letter grades A through F. ALA adjusted EPA's Air Quality Index for the recently revised PM2.5 NAAQS. EPA has not yet officially revised the Air Quality Index.
- While using a different methodology and assigning letter grades, the ALA report does not dispute results reported by NMED during the past several years regarding Farmington-area ozone. Data from 2003-2005 show the area attaining NAAQS for ozone, however this does not mean there are no air quality concerns for the area.
- Not all counties in NM received the grade of A for ozone and 24-hour PM2.5. Using ALA's methodology, the grades were as follows:

Letter Grade	Ozone	24-hour PM2.5
A	Eddy, Sandoval, San Juan	Chaves, Grant, San Juan, Santa Fe
B	Doña Ana	Lea, Sandoval
C	Bernalillo	Bernalillo
D	-	Doña Ana
F	-	-

- If the ozone NAAQS is revised and set at a lower concentration, ALA's letter grades for ozone may worsen.
 - ALA's Description of Methodology is in Appendix A available at: http://lungaction.org/reports/sota07_methodology.html
- The plans for adding a 3rd power plant in area begs the need updated projected emissions for all plants. The NEPA process should be an opportunity to request cumulative impacts from all emission sources. The Task Force's Cumulative Effects group is working on developing a cumulative permitted/nonpermitted oil and gas inventory. The Western Regional Air Partnership (WRAP) recently came out with a new 2005 O&G inventory. High VOC fugitive emissions are being estimated. <http://www.wrapair.org/cal/calendar.php?op=view&id=680>
 - Need more public information regarding what is in the air currently and what is projected to be in the air. Many people don't know whether they should be concerned. EPA has a "where you live" website (AirNow) (<http://airnow.gov/index.cfm?action=airnow.main>) Maybe we need a public information option written up.

Updates:

- Desert Rock Energy Project: Mark talked with Nathan P. Draft PSD permit not yet issued. Draft EIS will be issued around May 15. Public hearings will likely be the week of 6/18, but BIA could change that date. Hearings will be in Cortez, Durango, Farmington, Window Rock, Ship Rock and a couple of other NN

chapters. The organization Dooda Desert Rock continues to physically block the construction site. They do not want any coal burning power plant to be there.

- Four Corners Power Plant: The Federal Implementation Plan has been finalized. It covers SO₂, NO_x, opacity, and dust (new requirement) but not mercury. Codifies what they have been doing regarding emissions. The Navajo Nation will renew the Title V permit. There is a fact sheet link on PPWG website.
- San Juan Generating Station: Environmental Improvement Project is going on: includes additional PM requirements, mercury removal, NO_x, and SO₂ controls. Unit 4 improvements (baghouse, LNB, AOFA) are to be completed by 10/31/07. Unit 3 improvements by spring 2008. Mercury monitors (CEMs) installed this summer. The facility plans to get the BART analysis to the state by 6/1/07.

Clean Air Mercury Rule

Mark McMillan gave a presentation on the federal Clean Air Mercury Rule (CAMR) and Colorado's mercury program. His presentation is posted on the PPWG web site. Colorado, in addition to CAMR, has 8-9 other mercury reduction components in their program. Colorado's estimated mercury emissions from power plants are around 800-900 lbs per year. EPA "allocated" to Colorado 1400 lbs per year. EPA allocations (allowance distribution) are figured via an algorithm based on heat input and coal type.

The Colorado rule, which was recently adopted, is stringent and innovative. CO plants are given only what they need and no more. Reductions are happening sooner than the federal rule requires. In Colorado there will be a 90% reduction by 2018. Pawnee and Raw Hide committed to do early reductions rather than risk legislative route, and they would have to eventually control anyway to meet the budget.

States have varied in their CAMRs. Several states (e.g., CO and NM) are not allowing trading. The base year from which to calculate reductions is 2010.

New Mexico's rule passed in March. Monitoring is to be done by 2009, and the allocations and limitations will be effective in 2010. For NM, in 2010, budget is 600 lbs., 2018 is 236 lbs. This is only for 2 plants, Escalante and SJGS, whose combined emissions (750 lbs) were estimated from TRI data. The new source set-aside is around 5% of total. NM's rule also established an emissions fee to fund an FTE to administer the program. SJGS hopes to get 70% removal (600-700 down to 200). Legally, NM's rule cannot be more stringent than the federal rule.

Desert Rock will be controlled by Navajo Nation for mercury. The Four Corners Power Plan doesn't know its mercury emissions yet, and is not comfortable making estimations. The facility has no comment or position on its 1202 lb allocation. It was mentioned that they emit elemental mercury and thus is not deposited locally; therefore, reductions are not likely to reduce local loadings. EPA's modeling shows big change from CAMR in East but not in West. It was agreed that we need to understand more about mercury forms

and deposition. All coal varies in mercury content—even coal coming out of the same seam. The mercury studies in SW Colorado are being started.

There were questions regarding potential “hot spots” under the mercury rule. EPA thinks none will be generated, but some states still feel that there is that risk. One study in Ohio showed substantial local deposition. But, mercury chemistry is complicated and depends on the chlorine content of the coal among other things. Depending on the form, it may deposit locally or go into global pool. There are no known health studies going on except perhaps on a national level.

In general new sources will use set-aside allocation at first and eventually will be put into the allocation pool for existing plants.

Mercury emissions from Oil & gas operations are not likely to be substantial but there is some study going on.

Regarding CAMR litigation, briefs have been submitted on cap and trade issue in Federal District Court. To remand rule would delay everything for years.

Navajo Nation Air Quality Program

Stephen Etsitty, the Executive Director of the Navajo Nation Environmental Protection Agency, described the air quality activities in his agency. This program has been under development for decades. They are on track to begin implementing the Title V air permitting program. Sources on reservation are driving the Nation’s need to regulate. There are 12 Title V facilities on the Navajo Nation (including 4CPP and Navajo Generating Station (NGS)). The Nation has opted not to adopt directly the model CAMR, but have asked EPA to propose a rule for the Nation based on EPA’s relationship with existing power plants. The Nation’s mercury allocation is 1202 lbs., based on heat input from NGS and FCPP. The Navajo Nation had commented on the federal rule and asked that the allocation be reduced, but it was not. There is a 5% set-aside for new sources. The 2 existing power plants will likely be allowed to trade and bank; individual allocations are not known at this time.

Plants have voluntarily agreed to accept the Nation’s regulatory authority. The Nation has agreed to implement the federal level of air quality protection. The Nation is in discussions with both power plants and have considered the projected emissions of the Desert Rock Energy Project. The Navajo Nation is trying to balance resource/economic development with environmental concerns. They are trying to retain flexibility. A draft energy policy is in the works but is not finalized. Other Navajo Nation offices may be weighing in on these issues.

The draft Task Force report doesn’t adequately reflect a true government-to-government relationship between the tribe and other governmental entities.

Mitigation Option Tracking Table:

May 30, 2007, is the final deadline to submit new papers or comments on the current version. Please use the review guidelines available on the webpage. Mark presented the tracking table and identified options that still could be written:

- Clean coal technology: local outreach and education; to inform the community about the technology. Marilyn will work on with NMED Bill Green's help.
- Nuclear power (was voted down by NM Climate Change Advisory Group). We will say the PPWG brainstormed this option but there were no resources to write it up.
- Large-scale renewables: (Maureen Gannon—biomass option will be written up; Dave Ruger—bioenergy option, should check with APS on algae). Brainstormed but maybe appropriate for future work.
- CAMR implementation option could be updated and/or clarified to include what states (NM, CO, AZ and UT) and the Navajo Nation have done.
- Air deposition study paper (Hg) needs to be updated (has been done). NM, CO and others are discussing collaborative projects on Hg monitoring studies, as there are EPA grants available.
- Will move negotiated agreements option under future power plants section.
- Option for "Develop/implement AQ standards for locally used energy and natural gas sources" will be suggested that O&G group take over.
- Pilot neighborhood project option – needs to be re-thought. Probably will not be written up.

Conference call on remaining options: May 23, 2007, at 4:00.

At the final Task Force meeting, there will be workgroup presentations. The idea is that 2 people would give an overview (geared towards educating the rest of the task force) of the workgroup's process/product. Many felt that maybe an industry representative and a citizen representative would be effective. Please let Mark know if you are interested/willing.