

Clean Air Mercury Rule (CAMR) 111(d) Plan

I. Background

On December 20, 2000, the Environmental Protection Agency (EPA) issued a conclusion in accordance with section 112(n)(1)(A) of the Clean Air Act (CAA) that it was “appropriate and necessary” to regulate coal-and oil-fired utility units under section 112. Later EPA reversed its position and proposed and promulgated a federal cap-and-trade mercury rule for coal-fired electrical generating units (EGUs) based upon section 111. The final Clean Air Mercury Rule (CAMR) was published in the *Federal Register* on May 18, 2005 (70 FR 28606-28700). Subsequent revisions include corrections in the *Federal Register* on August 30, 2005, (70 FR 51266-51269), and amendments in the *Federal Register* on June 9, 2006, (71 FR 33388-33402). CAMR will permanently cap and reduce mercury emissions from new and existing coal-fired utility units. The emission guidelines (EGs) for existing units are at 40 CFR 60 Subpart HHHH, and New Source Performance Standards (NSPS) for new units are at 40 CFR 60 Subpart Da. The EGs apply to coal-fired EGUs for which construction began before January 1, 2001. The NSPS apply to coal-fired EGUs for which construction or reconstruction commenced on or after January 1, 2001. States with coal-fired EGUs are required to implement State Plans pertaining to EGs and NSPS for affected facilities.

State Plans must contain specific information and legal mechanisms necessary to implement the EGs. The minimum requirements for the state plan are listed below:

- ▶ Confirmation that the state emission standards will be based upon an allowance system or the CAMR “not to exceed” cap for Louisiana;
- ▶ A demonstration that Louisiana will comply with the state’s annual EGU mercury budget;
- ▶ Specification of the test methods and procedures that will be used for determining compliance. Per CAMR, EGUs must comply with the monitoring, recordkeeping, and reporting provisions of 40 CFR Part 75 with regard to mercury emissions if they are to participate in the federal cap and trade program;
- ▶ Inclusion of language that indicates that the final compliance will be set no later than the published compliance date,
- ▶ A demonstration that Louisiana has the legal authority to administer the plan including:
 - Adopting emissions standards and compliance schedules necessary for attainment and maintenance of the relevant mercury budget, and
 - Requiring owners of affected units to install emission monitoring devices;
- ▶ Inclusion of an emission inventory of each applicable source as specified in 40 CFR 60 Appendix D, although many of the 40 CFR 60 Appendix D requirements are obsolete.

Louisiana may meet its statewide mercury emissions budget by allowing affected sources to participate in a national cap and trade program or through a state rule. Louisiana has elected to participate in the EPA-managed cap and trade program for coal-

fired EGUs greater than 25 MW. Louisiana has adopted regulations identical to 40 CFR 60 subpart HHHH. See Appendix ___ to this document. Consequently, such allowance system is automatically approved in the state 111(d) plan. Additionally, Louisiana authorizes the EPA Administrator to assist Louisiana in implementing the Mercury Budget Trading Program by carrying out the Administrator functions specified in 40 CFR 60 subpart HHHH.

There are currently six coal-fired EGUs in the State of Louisiana that will be subject to this regulation: Big Cajun 2 (3 units), Rodemacher (1 unit), R.S. Nelson (1 unit), and Dolet Hills (1 unit).

II. Demonstration of Legal Authority

The Louisiana Environmental Quality Act, La. R.S. 30:2001, et seq., (herein after referred to as the Act) grants the secretary of the Department of Environmental Quality (the department) specific authority to adopt, amend, or repeal those rule and regulations that are deemed necessary for the protection of the state's environment. Further, the Act provides the secretary with the general power to assure compliance with applicable federal laws and regulations and to assume authority for those delegated programs that exist under the provision of the Clean Air Act Amendments.

Also included in the Act is the Louisiana Air Control Law, La. R.S. 30:2051, et seq., which provides specific statutory authority for air quality matters. The secretary is provided the authority to adopt and/or promulgate rules and regulations that are consistent with applicable state and federal law. This authority also includes the air operating permit program that is required by 40 CFR Part 70.

Although the Act does not provide the department with specific authority to include monitoring, recordkeeping, and reporting requirements in an air operating permit, broad statutory authority is provided the secretary to develop permitting procedures and regulations that conform to applicable state and federal laws. Such statutory authority is sufficient to incorporate monitoring, recordkeeping, reporting and compliance certification requirements in the air operating permit consistent with the federal requirements of 40 CFR Part 70. (See Appendix C, Attorney General's Opinion, dated November 15, 1993)

State law provides authority to make available to the public any permit application, compliance plan, or monitoring and compliance certification report, except for that information entitled to confidential treatment. According to the Act, the contents of an operating permit shall not be entitled to confidential treatment. Further, the Louisiana Public Records Law, La. R.S. 44:1, et seq., provides that all records of a public body are defined as "public records" and are therefore available for public inspection and copying. This general rule has been modified by the Act, which allows the department to maintain certain records as confidential. (La. R.S. 30:2030)

III. Inventory of Applicable Sources

There are six EGUs in the State of Louisiana that will be subject to the new regulation. Table 1 is a list of the facilities, the operating rate of each facility, and the type of air pollution control equipment, if any, currently used at the facility. Other existing sources, not identified below, are also subject to the requirements of this 111(d)

plan, and as these new sources are identified they will be added to the inventory and reported via the annual progress report to EPA Region VI.

Table 1. Coal-fired EGUs in Louisiana

FACILITY NAME	OPERATING RATE (MAX)	AIR POLLUTION EQUIPMENT
Big Cajun 2 Unit 1	6420 MM BTU/hr	Electrostatic precipitator, low NOx burner, over-fire air
Unit 2	6420 MM BTU/hr	Electrostatic precipitator, low NOx burner, over-fire air
Unit 3	6420 MM BTU/hr	Electrostatic precipitator
Rodemacher (Unit 2)	6534 MM BTU/hr	Electrostatic precipitator, low NOx burner
R.S. Nelson (Unit 6)	6216 MM BTU/hr	Electrostatic precipitator w/ flue gas conditioning
Dolet Hills	7600 MM BTU/hr	Electrostatic precipitator, a flue gas desulfurization system, low NOx burners, and an overfire air system

IV. Emissions Inventory from Coal-Fired EGUs in Louisiana

Name/Address of Facility	Location UTM	Parish	Boiler Type	Permit / Emission Information	Total Tons per Year**
Big Cajun 2, 9951 Cajun 2 Road (Hwy 981), New Roads, LA 70760	Zone 15 656.395 km East 3400.246 km North	Pointe Coupee	Dry-bottom wall-fired	Permit 2260-00012-V0	NOx 17,715.3 tpy CO 46,932.9 tpy SO ₂ 98,302.9 tpy PM ₁₀ 8,192.0 tpy VOC 308.7 tpy Hg 0.6 tpy <hr/> 171,452.4 Total TPY ** permitted emissions
Rodemacher (Unit 2) 275 Rodemacher Road, Lena, LA 71447	Zone 15 526.849 km East 3473.529 km North	Rapides	Wet bottom wall-fired	Permit 2360-0030-V0	Pm 3293 tpy SO ₂ 43,360 tpy NO ₂ 18,165 tpy CO 3,502 tpy VOC 277 tpy Hg 0.38 tpy <hr/> 45,013.33 Total TPY ** permitted emissions
R. S. Nelson (Unit 6) 3500 Houston River Road, Westlake, LA 70669	Zone 15 471.946 km East 3350.318 km North	Calcasieu	Tangential	Air Permit 0520-00014-V0	Pm 1,391.11 tpy SO ₂ 32,671.30 tpy NO ₂ 12,251.74 tpy CO 993.60 tpy VOC 151.04 tpy Hg no limit specified <hr/> 47,458.79 Total TPY ** permitted emissions
Dolet Hills, 963 Power Plant Road, Mansfield, LA 71052	Zone 15 446.289 km East 3544.012 km North	Desoto	Dry-bottom wall-fired	Air Permit 0760-00001-V0	Pm 2,519.0 tpy SO ₂ 35,850.0 tpy NO ₂ 17,927.0 tpy CO 2,497.0 tpy VOC 96.9 tpy Hg 0.200 tpy <hr/> 58,890.1 Total TPY ** permitted emissions

V. Federal Regulations Adopted by Reference

Standards Adopted: The following standards of Performance for New Stationary Sources and Emission Guidelines contained in 40 CFR Part 60, revised as of July 1, 2005, to be incorporated by reference, and rules to that effect will be adopted on or about August 20, 2006. Any new coal-fired EGU is also subject to the provisions of 40 CFR 60, Subpart HHHH, and shall file an application for a permit to operate under the requirements of LAC 33: III.Chapter 5 prior to construction.

VI. Compliance Schedules

- A. Submit Title V Permit Application by May 18, 2006, in accordance with LAC 33:III.507.C.3.
- B. Comply with monitoring and recordkeeping and monitoring and recordkeeping compliance dates in accordance with the model rule, 40 CFR 60.4170-4176, by January 1, 2009. New units must comply by the later of the following dates: January

1, 2009, or 90 unit operating days or 180 calendar days, whichever occurs first from the beginning of commercial operation.

- C. Submit mercury budget trading program permit applications in accordance with the model rule, 40 CFR 60.4120-4124. Mercury budget trading program permit applications should be submitted at least 18 months prior to commencing operation for new units, or by July 1, 2008, for existing units in accordance with 40 CFR 60.4121.

VII. Additional Requirements for Existing and New Coal-fired EGUs

- A. The provisions of the model rule, 40 CFR 60.4104-4114 and 40 CFR 60.4150-4162 will be incorporated by reference.

B. Definitions

Definitions at 40 CFR 60.4102 and abbreviations at 40 CFR 60.4103 will be incorporated by reference. The terms used but not defined in 40 CFR 60, Subpart HHHH, will have the meaning given to them in the Clean Air Act and in 40 CFR 60, Subparts A, Da.

C. State Reports

Annual reports to EPA Region 6 will be submitted in accordance with 40 CFR 60.25(e) & (f).

D. State Requirements

Mercury budget allocations will be made in accordance with the model rule, 40 CFR 60.4140-4142. Louisiana’s Phase 1 (from 2010-2017) budget is 0.601 tons per year, And the budget for Phase 2 is 0.237 (2018 and thereafter).

Table 2. Mercury Allocations (in ounces per year)

AFFECTED UNITS	HIGHEST 3 YEAR AVERAGE HEAT INPUT (2000-2004)	ADJUSTED AVERAGE HEAT INPUT	MERCURY ALLOCATION (OZ.) FOR YEARS 2010-2014
Rodemacher	35,826,707	44,783,383	1,908
RS Nelson	41,848,426	52,310,532	2,229
Big Cajun 2 (2B1)	48,596,460	60,745,575	2,588
Big Cajun 2 (2B2)	47,574,954	59,468,692	2,534
Big Cajun 2 (2B3)	47,818,200	59,772,750	2,547
Dolet Hills	50,564,806	151,694,419	6,464
total	272,229,552	428,775,351.50	18,270

VIII. Public Hearing

A public hearing for the section 111(d) plan will be held on September 26, 2006, in Baton Rouge, Louisiana (see Appendix ____). The public comment period will begin on August 20, 2006, and end on September 26, 2006. Notice of this hearing will be published in the August 20, 2006 edition of the *Louisiana Register*, the official state journal. This publication date will provide, at least a 30-day period for review and comment. Notice of this hearing will also be published in daily newspapers in the cities of Shreveport, Alexandria, Lake Charles, Lafayette, Monroe, Baton Rouge, and New Orleans.