North Dakota Regional Haze Program Discussion Presented to the North Dakota Energy Development and Transmission Committee November 29, 2011

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Seeing Clearly

The hazy relationship between EPA and ND

Clean Air Act Section 169A 1977



Visibility Protection Federal Class I Areas

Purpose of Regional Haze Program

The prevention of any future,
and the remedying of any existing,
impairment of visibility
in mandatory Class I areas
which impairment results from manmade air pollution

No visibility impairments by 2064

Regional Haze Program

- This is a VISIBILITY program, not a HEALTH PROTECTION program
- Health is protected by the National Ambient Air Quality Standards
- North Dakota meets all the National Ambient Air Quality Standards
 - THIS PROGRAM IS ONLY ABOUT VISIBILITY IN NATIONAL PARKS AND WILDERNESS AREAS

What Has Happened:

- 1999 Federal Regional Haze regulations adopted
- 2007 States required to submit plans (SIPs)
- 2011 New EPA deadline after most states miss first deadline
- 2010 North Dakota submits SIP with best available retrofit technology (BART): $NO_x \downarrow 43$ percent and $SO_2 \downarrow 86$ percent
- EPA fails to approve
- 2011 Environmental group sues EPA to enforce their regulations

Regional Haze Program

- Requires states to draft compliance plans (SIP) including
 - Identification of reasonable progress goals
 - Installation of "best available retrofit technology" on plants built between 1962 and 1977 that impact Class 1 areas
- EPA must approve the state compliance plan BUT
 - State plan should be given deference over EPA's preference
- IF EPA disapproves, they issue a federal implementation plan (FIP) and take over the state program in that area

September 1, 2011 - EPA proposes federal plan

- NO_x controls on Leland Olds (Basin) and Young (Minnkota)
 - Very stringent limits using different technology than the State selected: $NO_{\nu} \downarrow 90$ percent
- Antelope Valley Station (Basin) and Coal Creek
 Station (Great River)- FIP under reasonable progress less stringent, less costly technology
- Accepted reasonable progress controls for the Coyote and Heskett Stations

More costs....

- North Dakota Industry: Expended \$700 +
 million on emission controls to date
- EPAs selected technology –selective catalytic reactors- will cost:
 - Minnkota \$500+ million to install vs \$40 million for the State's technology
 - Basin \$200+ million to install

EPA's logic:

- All coal is the same, so SCRs will work on lignite
- EPA technology- SCR- reduces more NO_x than State technology
- EPA technology will work because other plants with similar boilers use SCRs

...BUT...

North Dakota says:

- All coal is not the same ... ND lignite is different
- EPA technology is not proven to work...
 - ...on cyclone boilers
 - ...that burn North Dakota lignite coal
 - ...without extraordinary reengineering
- Vendors will not guarantee EPA technology

North Dakota says:

- Use selective non-catalytic reduction (SNCR)
- Shown to work on plants burning ND lignite
- Even with all North Dakota plants closed ...
 North Dakota can not meet long-term visibility goals

Summary

- Regional Haze / Best Available Retrofit Technology (BART)
 - Visibility issue, not health issue
 - Address visibility around Theodore Roosevelt National Park and Lostwood National Wildlife refuge
 - No health issue because North Dakota <u>already meets</u> current health-based emission standards
 - Main disagreement what technology to install
 - Costs = \$700 million or more

Summary

 EPA seeks to override state knowledge and authority to determine the best technology to control NOx emissions from North Dakota lignite powered plants

Current status

- EPA expected to issue final decision by January 26, 2012
- State of North Dakota must determine whether to sue EPA if decision is adverse