AIR QUALITY RULE UPDATE

Joel Leon February 4, 2010

- Will be proposed in 1st quarter, 2011
- Modifications to rules for High Electric Demand Day Generating (HEDD) units
 - -For the HEDD rules that became operative on May 19, 2009
 - Modifications requested during rule comment period

- Option to classify a HEED unit as a GEU
 - For HEDD units that do not meet new NOx requirements
 - GEUs can operate during voltage reduction (brownouts) and power outages (blackouts)
 - Designed to ensure integrity of the PJM Grid
 - Minimal environmental impact, brownouts and blackouts have only occurred for 8 hours over the last 5 years

- Extension of operating time for certain HEDD units
 - For those with a NOx control device with an efficiency greater than 30% (water injection)
 - Extension from 5/1/15 to 6/1/17
 - Extension granted
 - To allow facilities to recover costs of installation of the >30% NOx control device
 - To allow facilities additional time to develop alternatives for lost electric generating capacity

- As of 6/1/17, these HEDD units must meet the new NOx requirements, become a GEU, or shutdown
- Exemption for engines which supply electric power to engine-associated process equipment (N.J.A.C. 7:27-19.8(g))
 - Engine has been integrated only to be used with equipment
 - Cannot be used for another purpose

- Exemption for these engines is from NOx requirements at N.J.A.C. 7:27-19.8(e) only
 - N.J.A.C. 7:27-19.8(e) adopted in 2005 to regulate engines that would displace electric power that would have otherwise been generated from PJM grid
 - Reinstating prior NOx limits (8 g/bhp-hr) for the newly exempted engines
 - At major facilites
 - Size applicability- 370 kW (500 bhp) or greater

- Minor revisions
 - Required combustion adjustments for engines
 >500 bhp which do not generate electricity (16.10(e) and 19.8(f)) (eleven such engines)
 - Clarification to NJAC 7:27-16.7(a). Word
 "other" added, not subject to Table 7A-7D,
 >3 lb/hr VOC and at a major facility,