

# AIR MONITORING, CROSS STATE AIR POLLUTION RULE UPDATE

Joint Energy and Environment Committee Briefing



Oct. 17, 2011

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Kansas Air Monitoring Sites, August 2011

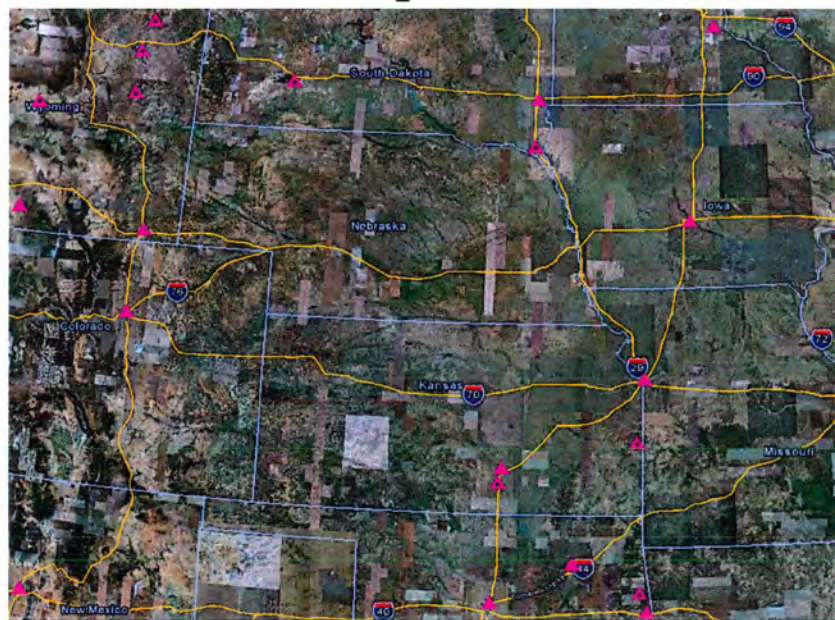


### Central States SO<sub>2</sub> Monitor Locations



▲ Currently active SO<sub>2</sub> monitor      ▲ Background monitor

### Central States NO<sub>2</sub> Monitor Locations



▲ Currently active NO<sub>2</sub> monitor      ▲ Background monitor

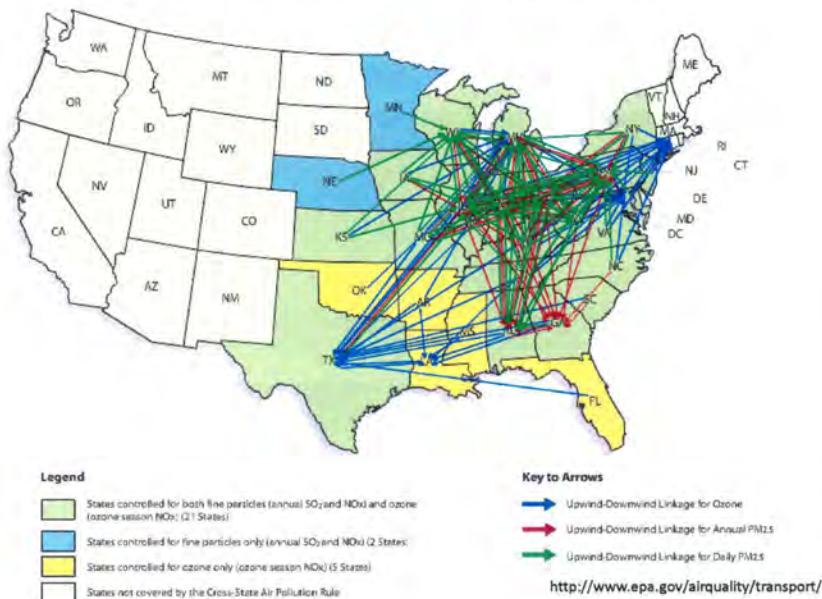


## Cross-State Air Pollution Rule Review

- ❑ Affects power plant emissions that contribute to ozone and/or fine particle pollution in down-wind states
- ❑ Covers Nitrogen oxides and Sulfur dioxide
- ❑ Final Rule signed on July 6, 2011
- ❑ Pursuant to section 110(a)(2)(D)(i)(I) of Clean Air Act
- ❑ Addresses the December 2008 court decision that kept Clean Air Interstate Rule (CAIR) in place and ordered EPA to fix it
- ❑ Upwind state's obligations to reduce pollution based on:
  - ❑ the magnitude of a state's contribution....1% threshold
  - ❑ the cost of controlling pollution, and
  - ❑ the air quality impacts of reductions.
- ❑ Kansas in for both Nitrogen oxides and Sulfur dioxide

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## CSAPR Upwind-Downwind Linkages



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## Elements of CSAPR Trading Programs

- States receive budget based on modeling
- Limited interstate trading for SO<sub>2</sub> -- full interstate trading for NO<sub>x</sub>
- State budgets = Existing Unit Allocations + New Unit Set-Aside
- EGUs required to hold one allowance for every ton emitted
- Banking of allowances for use or trading allowed
- Electrical generating unit allocations based on historic heat input
- Existing unit allocations for 2012 made pursuant to Federal Plan (FIP)
- Kansas received 2% of our budget for new units - commences operation after January 1, 2010
- Variability Limit added to allocations for each state
  - ▣ State Assurance Level = State Budget + Variability Limit

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## Kansas Trading Budgets – Final Rule

2012 Trading Period - tons	2010 Actual Emissions	2012 State Allocation Budget	2012 New Unit Set Aside	2012 Variability Limit	2012 State Assurance Level
Annual NO <sub>x</sub>	48,938	30,100	614	5,529	36,243
Ozone Season NO <sub>x</sub>	22,315	13,265	271	2,843	16,379
SO <sub>2</sub> Group 2	45,251	40,697	831	7,475	49,003

2014 Trading Period - tons	2010 Actual Emissions	2014 State Allocation Budget	2014 New Unit Set Aside	2014 Variability Limit	2014 State Assurance Level
Annual NO <sub>x</sub>	48,938	25,049	511	4,601	30,161
Ozone Season NO <sub>x</sub>	22,315	10,778	220	2,310	13,308
SO <sub>2</sub> Group 2	45,251	40,697	831	7,475	49,003

## CSAPR Proposed Revisions

- On October 6, EPA proposed revisions to CSAPR
  - Nine states received additional allowances...not Kansas
  - Most based on errors regarding controls on units
- Six states with units affected by federal consent decrees recover stranded allowances
  - Affects Kansas as a result of Westar consent decree
  - Does not add to state budget
  - Redistributes stranded allowances to all units based on heat input
- No changes to core elements of program
- Assurance provisions effective date revised to January 1, 2014

## Kansas Utilities Proposed 2012 SO<sub>2</sub> Allocation Revisions

Facility	2010 SO <sub>2</sub> actual emissions	CSAPR final rule allocations	CSAPR revised allocations
Westar - Jeffrey	1,213	16,565	6,600
Westar - Lawrence	3,191	3,955	5,374
Westar - Tecumseh	4,397	1,747	2,580
KCP&L - La Cygne	20,500	10,799	15,949
Empire - Riverton	4,205	719	1,062
BPU - KC	10,037	3,440	5,079
Sunflower - Holcomb	1,711	2,228	2,228



## Kansas Update

- ❑ October 14, 2011 – KDHE Notice of Intent to submit a 2013 SIP
- ❑ October 6, 2011 - Petition for Reconsideration & Stay (EPA)
- ❑ October 5, 2011 - Motion for Stay (DC Circuit Court of Appeals)
- ❑ September 19, 2011 - Petition for Review (DC Circuit Court of Appeals)
- ❑ August 22, 2011 - Letter from Governor to EPA Administrator
- ❑ August 19, 2011 - KDHE comment letter to EPA on CSAPR rule
- ❑ Sept. 27, 2010 – KDHE comment letter to EPA on proposed CATR

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Our Vision – Healthy Kansans living in safe and sustainable environments.