



File Code: 2580

Date: August 11, 2011

Mr. Doug Aburano
Chief, Control Strategies Section
US EPA, Region 5
77 West Jackson Blvd
Chicago, IL 60604

Dear Mr. Aburano:

We have concerns with your June 6, 2011, letter to John Seltz. This letter contains your review of Minnesota's draft Regional Haze State Implementation Plan (RH SIP) that was submitted to you in December 2009. Based on conversations with your staff, we understand your June letter to represent the conclusion of EPA's technical review of Minnesota's RH SIP.

In that letter you outline your disagreements with the Minnesota Pollution Control Agency's (MPCA's) Best Available Retrofit Technology (BART) determinations for Xcel Energy-Sherburne County (Sherco) and Rochester Public Utilities-Silver Lake. We strongly support the conclusions in your letter for those two facilities. We are nevertheless concerned:

- by your stated readiness to approve the MPCA's proposed BART limits for Northshore Mining's power boiler;
- that you ask for a new BART analysis for United Taconite (the second highest impacting facility - see attachment), but no deadline is included;
- that by their very omission, you may not be supporting our comments made on other parts of the RH SIP that are not directly related to BART.

We submitted detailed comments concerning the adequacy of the MPCA's proposed BART determinations. So as to not duplicate information already presented, we refer you to our letters to the MPCA dated 3/5/08, 4/28/09, and 7/10/09. These letters were included in the public comment record and were supported previously by written comments from your office in a letter dated September 3, 2009. We strongly urge you to review our comments. Generally our comments demonstrated that better performing air pollution control options are feasible, and/or the proposed limits for the proposed control options did not reflect their capabilities and should be lowered.

In particular we would like you to review the comments made by your office and the FLMs concerning the Northshore Mining power facility. Your staff indicated that the main reason for



accepting MPCA's BART proposal for the Northshore Mining power facility is that it is "small" compared to other utilities. Using size alone is problematic for a facility such as this that has a disproportionate impact because of its close proximity to multiple Class I areas. MPCA's analysis shows that this facility has visibility impacts in the BWCAW on more days than any other utility in the state, including Sherco, the state's largest power plant (see attachment).

We want to raise our concerns regarding a number of other requirements in the SIP that we believe are crucial to its overall adequacy. Two of these requirements are pilot testing and the installation of CEMs at the taconite plants.

Pilot Testing

The SIP laid out a schedule for pilot testing of nitrogen oxides (NO_x) control technologies at taconite plants commencing July 2011. The MPCA has yet to initiate any permit amendments or compliance documents to implement this requirement. Recently the MPCA has informed us that they feel they do not have the authority to implement this part of the RH SIP. This calls into question their ability to implement the RH SIP, see 40 CFR Part 51, Appendix V, Section 2.1(b) and 2.1(c). This testing program is a critical element in the long term success of the RH SIP because without further pilot testing it may be difficult to identify technologies for controlling emissions from taconite plants.

Continuous Emission Monitors (CEMs)

Please require the installation of NO_x CEMs across the taconite industry. In spite of serious concerns by the FLMs the MPCA allowed the taconite facilities to substitute the use of an "alternate method" - parametric monitoring systems for CEMs to measure their emissions. In testimony at the MPCA board meeting where the RH SIP was approved, one facility said CEMs don't work. The facts state otherwise. CEMs are currently or will soon be installed on over half the industry. There are no longer any issues with the operation of these instruments.

The RH SIP discussed the need for continuous emission monitoring systems on the taconite industry for nitrogen oxides for a number of reasons including: 1) to set the BART limits; 2) to "allow facilities to more efficiently manage their combustion processes, resulting in less fuel usage and fewer emissions," and 3) to track reasonable progress under the Northeast Minnesota Plan. The MPCA expects the use of CEMs could result in emission reductions of 5-30%, depending on the facility.

We are concerned the alternate systems will not provide the data to achieve the three aims laid out above. We are especially concerned the facilities will not be able to identify operating scenarios that lower emissions. If the relationships between a very small number of operating parameters, developed over a limited testing period, are used to predict emissions over all

operating periods, unique combinations of operating parameters that will lower emissions will not be identified.

When we were made aware of the alternate method option, we asked that any alternative system approved by MPCA provide data equivalent in quality to a CEM. We also asked any alternative method meet EPA performance specifications for predictive emission systems (see FR, Vol. 74, No. 56, pages 12575-12591). To date the MPCA has refused to require the industry to meet the EPA performance specifications other than a vague promise to revisit the decision in the future. Under 40 CFR 51.308(d)(3)(v)(F) the MPCA must consider the enforceability of emissions limits and control measures in the RH SIP.

Consultation

We strongly agree with your suggestions that future discussions between the MPCA and EPA regarding the final disposition of the BART analyses should include the FLMs. The Regional Haze Rule requires this consultation at 40 CFR 51.308(i).

Relationship of CSAPR to BART

Lastly we are concerned that the inclusion of Minnesota in the Cross-State Air Pollution Rule (CSAPR) would likely mean that the air pollution control equipment proposed for Minnesota power plants under BART, such as Sherco, would not be installed. In this case, emission reductions at Sherco would not take place despite the fact that the emissions from Sherco have been shown to greatly impact visibility in the northern Class I areas (see attachment). In separate work done by the Midwest RPO, Sherco was shown to be a source that is the number 2, 2, 5, and 13 most visibility-impairing source to the northern Great Lakes Class I areas - Voyagers National Park, Boundary Waters Canoe Area Wilderness, Isle Royale National Park and Seney Wildlife Refuge Wilderness Class I Areas, respectively.

It appears that CSAPR will not drive any emission reductions in Minnesota. Based on the spreadsheet from EPA's website (<http://www.epa.gov/crossstaterule/stateinfo.html#budgets>), the current emissions for Minnesota are already very close to its 2014 emission budgets under CSAPR. Once the proposed repowering of Xcel Black Dog is complete, Minnesota will be below its budgets.

As you know, the impact from each source is unique. Emissions from certain plants affect visibility at the northern Great Lakes Class I areas more than others. CSAPR focuses on alleviating the transport of air pollution to clean up the 1997 ozone nonattainment areas. The northern Great Lakes Class I areas are upwind and therefore do not coincide with these nonattainment areas. Since groups of sources are not allowed to be made subject to BART by modeling their emissions together, likewise emission reductions from groups of sources across broad areas, such as under CSAPR, should not be allowed to make those sources exempt from

BART. Many of the sources subject to CSAPR are not BART-subject – leading to an apples and oranges comparison when reductions under this program are compared only to the universe of sources subject to BART.

We understand that it is EPA staff's opinion that once a "CSAPR better than BART determination" is made, BART would forever be determined for those units - even if a BART determination is made under reasonably attributable visibility impairment (RAVI) at some point in the future. This opinion would appear to contradict EPA's earlier point of view of RAVI in the BART guidelines (FR 2005, Vol 70, No. 128, P 39104). On page 39137 EPA states (emphasis added):

With respect to the use of average overall improvement, we explained in the CAIR NFR preamble that we disagree with comments that CAA section 169A(b)(2)'s requirement of BART for sources reasonably anticipated to contribute to impairment at any Class I area means that an alternative to the BART program must be shown to create improvement at each and every Class I Area. Even if a BART alternative is deemed to satisfy BART for regional haze purposes, based on average overall improvement as opposed to improvement at each and every Class I Area, CAA section 169A(b)(2)'s trigger for BART based on impairment at any Class I area remains in effect, because a source may become subject to BART based on "reasonably attributable visibility impairment" at any area. See 40 CFR 51.302. In addition, within a regional haze context, not every measure taken is required to achieve a visibility improvement at every class I area. BART is one component of long term strategies to make reasonable progress, but it is not the only component. The requirement that the alternative achieves greater progress based on the average improvement at all Class I areas assures that, by definition, the alternative will achieve greater progress overall. Though there may be cases where BART could produce greater improvement at one or more class I areas, the no-degradation prong assures that the alternative will not result in worsened conditions anywhere than would otherwise exist, and the possibility of BART for reasonably attributable visibility protects against any potential "hot spots." Taken together, the EPA believes these factors make a compelling case that the proposed test properly defines "greater reasonable progress." The EPA anticipates that regional haze implementation plans will also contain measures addressing other sources as necessary to make progress at every mandatory Federal Class I area.

Please explain how RAVI can still protect against "hot-spots" if CSAPR is equal to BART and BART based on RAVI is no different than regional haze BART.

We strongly suggest that to improve visibility at those Class I areas, the BART-subject power plants should install the identified BART controls - regardless of the status of CSAPR. Also RAVI BART should continue to be available in the future to address hotspots.

We ask that you revisit these issues before you move to final approval of the Minnesota RH SIP. We are willing to meet with you to further discuss them at your convenience.

Sincerely,

/s/ James W. Sanders
JAMES W. SANDERS
Forest Supervisor

Enclosure

cc: Anna Wood
Martha Keating
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