



**OZONE
TRANSPORT
COMMISSION**

February 14, 2011

Lisa P. Jackson, Administrator
U.S. Environmental Protection Agency
Air and Radiation Docket
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RE: Request for Comments – Docket No. EPA-HQ-OAR-2008-0708

Dear Administrator Jackson:

The Ozone Transport Commission (OTC) appreciates the opportunity to provide comments on EPA's request for comments (75 FR 75937, December 7, 2010) on the National Emission Standards For Hazardous Air Pollutants for Reciprocating Internal Combustion Engines (RICE NESHAP, 40 CFR Part 63, Subpart ZZZZ) regarding the decision to amend the limitations on the operation of emergency stationary RICE to allow emergency engines to operate for up to 15 hours per year as part of an emergency demand response program.

The OTC understands the need for emergency generation and peak demand response to ensure the reliable delivery of electricity by the various Independent System Operators (ISOs) in our region. Emergency stationary RICE have an important role in providing electricity in situations where there is grid failure and electricity is needed to avoid damages and loss. As we saw in 2003, there are significant public health and economic impacts, in addition to air quality considerations, that are associated with wide-scale grid failure. However, electric utilities have devised demand response programs that are contrary to the anticipated use of emergency power generation and whose impacts are directly and adversely related to increased air emissions.

Demand response is a preemptive action in which the participating facility voluntarily agrees to commence operation of its electrical generating equipment during peak demand, and the facility is normally economically compensated for taking such action. Demand response programs are normally activated when there is high electrical demand, which normally occurs in the summer in the Northeast, when conditions leading to the formation of ground-level ozone are at their worst. Uncontrolled RICE are very high emitters of oxides of nitrogen (NOx), on both a mass and rate basis. The use of emergency engines to generate electricity to satisfy on-peak demand has significant public health impacts on these high electric demand days (HEDDs). These impacts include high emission rates of ozone precursors and air toxics, which greatly exacerbate already impaired air quality on these HEDDs. As a result, OTC believes that EPA should discourage the operation of emergency engines to satisfy peak demand unless emergency generation is necessary to address a true power emergency.

With respect to the need for emergency generation in true emergencies, OTC believes that restricting the hours of operation is not necessary if the definition of "emergency" is specific enough and stringent enough to preclude the operation of emergency engines in price-response mode. As such, OTC recommends EPA develop a definition of "emergency" that provides precise conditions when emergency stationary engines may operate, including periods of voltage or frequency deviation, as exemplified by the OTC Model Rule for Stationary Generators. The OTC's model rule defines an emergency as:

- An electric power outage due to: a failure of the electrical grid; on-site disaster; local equipment failure; or public service emergencies such as flood, fire, natural disaster, or severe weather conditions (e.g., hurricane, tornado, blizzard, etc.); or
- When there is a deviation of voltage or frequency from the electric public utility to the premises of three percent (3%) or greater above, or five percent (5%) or greater below, standard voltage or frequency.

As emergency is defined in the OTC model rule, an emergency generator may operate in conjunction with a voluntary demand-reduction program or any other interruptible power supply arrangement with a utility, other market participant, or system, provided it only operates in accordance with the definition of emergency. The OTC does not agree with a declaration of an emergency alert without reasonable cause. The OTC would agree with the operation of an emergency engine/generator once an alert has been declared only if such a declaration/action meets the OTC model rule's definition of an emergency. Since the declaration of such an action is meant to prevent a power outage, it would be necessary for the action to coincide with a deviation of voltage or frequency in order for it to be considered a true emergency condition via the OTC's model rule.

In conclusion, the OTC recommends that EPA remove the provisions allowing emergency stationary engines to participate in price demand response. Furthermore, we recommend that EPA clarify all uses of the term "emergency" to be similar to the definition of "emergency" in the OTC's Model Rule for Stationary Generators, and to allow the definition to determine under what conditions an emergency engine may operate. The OTC respectfully submits these comments for EPA's consideration in making a final determination regarding the operating limitations for emergency engines under the RICE NESHAP and the New Source Performance Standards for internal combustion engines. We welcome further discussion on this issue and offer our assistance to EPA as a multi-state organization which has discussed this issue in depth during the development of a model rule. Please contact me with any questions at (202) 508-3840.

Sincerely,



Wick Havens
Interim Executive Director