



AN ASSOCIATION OF INDEPENDENT POWER PRODUCERS IN THE ANTHRACITE AND BITUMINOUS COAL REGIONS OF THE UNITED STATES

RECEIVED

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DATE: May 25, 2007

FROM: ARIPPA Delivered by Hand AND E-MAIL

TO: PA Environmental Quality Board P.O. Box 8477 Harrisburg, PA 17105-8477

INDEPENDENT REGULATORY
REVIEW COMMISSION

RE: **Proposed Rulemaking – Air Quality Permit Streamlining
25 Pa. Code Chapters 127**

ENVIRONMENTAL QUALITY BOARD

MAY 25 2007

Dear Chair and Members of the Environmental Quality Board:

RECEIVED

ARIPPA, on behalf of its member companies, hereby provides comments to the PA Environmental Quality Board (the "Board") concerning the above referenced proposed rulemaking. ARIPPA provides these comments concerning the Department's proposal to regulate, as published in the PA Bulletin 25 PA CODE CH. 127 Permit Streamlining 37 Pa.B 1317 Saturday, March 24, 2007

I. Industry and ARIPPA Historical significance and background:

The attached "Notable Quotes and Fact Sheet" shall be deemed an integral part to our comments. ARIPPA requests that the members of the Board review the attached document and consider both the unique nature of the CFB technology employed by the ARIPPA facilities, and the environmental benefit that these companies provide to the Commonwealth by combusting waste coal as they review the following comments on the Proposed Regulations:

II. ARIPPA Suggested Amendments/Specific Comments:

Section 127.12b (relating to plan approval terms and conditions) is proposed to be amended to allow for additional extension limited periods for "shake-downs", each not to exceed a new maximum period of 180 days versus 120 days. ("This temporary operation period will be valid for a limited time, not to exceed 180 days, but may be extended for additional limited periods, each not to exceed [120] 180 days."). **ARIPPA applauds the Departments efforts to allow for such often needed extended periods. At the same time ARIPPA asks the Department to consider modifying the Proposed Regulations to allow for a reasonable time period for approval of trial burns of "opportunity fuels" of previously known characteristics, Such 'inclusion' may be based on the results of other unit testing when available.**



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REASONING:

A facility that experiences 'opportunity fuel' availability (Such as BIO-WASTE, a fuel that is not a steady ongoing stream of fuel or source) doesn't normally have a window of 120 or even 180 days length to take action on same. In many situations, previous combustion of such "opportunity fuel" has occurred at some other plant or facility, accordingly, combustion characteristics may be known by the Department, and review should be fairly simple. ARIPPA concurs that 'first time' efforts may require additional review, but previous approved alternate "opportunity fuels" should not be relegated to that category. Current PADEP administration of alternate fuel use requests, even under the proposed changes MAY actually inhibit use of any fuel source not currently in a facilities Title V permit, and MAY not enhance energy efficiency or reduction of solid waste through common sense use in CFB combustors. Accordingly, **ARIPPA asks the Department to consider modifying the Proposed Regulations to allow for a reasonable time period for approval of trial burns of "opportunity fuels" of previously known characteristics, Such 'inclusion' may be based on the results of other unit testing when available.**

Thank you

Jeff A McNelly, Executive Director ARIPPA

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TO: PA Environmental Quality Board RE: 25 Pa. Code CH 127 Permit Streamlining
DATE: May 25, 2007 FROM: ARIPPA

Summary: ARIPPA Comments:

Proposed Rulemaking – As published in the PA Bulletin 25 PA CODE CH. 127 Permit Streamlining 37 Pa.B 1317 Saturday, March 24, 2007

“The Environmental Quality Board (Board) proposes to amend Chapter 127 (relating to construction, modification, reactivation and operation of sources) to read as set forth in Annex A. This notice is given under the Board's order at its meeting of January 17, 2007”

ARIPPA is a trade association comprised of fourteen (14) waste coal-fired electric generating plants located in both the anthracite and bituminous regions of Pennsylvania. ARIPPA's fourteen member facilities constitute the overwhelming majority of the waste coal power production industry in the country. Attached is a “Notable Quotes and Fact Sheet giving more insight to ARIPPA and the industry it represents.

The ARIPPA facilities provide a unique environmental benefit in Pennsylvania by burning waste coal as fuel and utilizing state-of-the-art, clean coal technology boilers known as circulating fluidized bed (“CFB”) technology. ARIPPA facilities utilize coal refuse from both past and current mining activities, and thereby reclaim abandoned strip mines and abate acid mine drainage from waste coal piles at no cost to Pennsylvania taxpayers. By combusting waste coal piles, ARIPPA members are removing one of the principal sources of contamination to surface water and groundwater in Pennsylvania.

ARIPPA requests that the members of the Board consider both the unique nature of the CFB technology employed by the ARIPPA facilities, and the environmental benefit that these companies provide to the Commonwealth by combusting waste coal as they review the following comments on the Proposed Regulations:

COMMENTS/REQUESTED AMENDMENTS:

Section 127.12b (relating to plan approval terms and conditions) is proposed to be amended to allow for additional extension limited periods for “shake-downs”, each not to exceed a new maximum period of 180 days versus 120 days. (“This temporary operation period will be valid for a limited time, not to exceed 180 days, but may be extended for additional limited periods, each not to exceed [120] 180 days.”). ARIPPA applauds the Departments efforts to allow for such often needed extended periods. At the same time ARIPPA asks the Department to consider modifying the Proposed Regulations to allow for a reasonable time period for approval of trial burns of “opportunity fuels” of previously known characteristics, Such ‘inclusion’ may be based on the results of other unit testing when available

REASONING:

A facility that experiences ‘opportunity fuel’ availability (Such as BIO-WASTE, a fuel that is not a steady ongoing stream of fuel or source) doesn't normally have a window of 120 or even 180 days’ length to take action on same. In many situations, previous combustion of such “opportunity fuel” has occurred at some other plant or facility, accordingly, combustion characteristics may be known by the Department, and review should be fairly simple. ARIPPA concurs that ‘first time’ efforts may require additional review, but previous approved alternate “opportunity fuels” should not be relegated to that category. Current PADEP administration of alternate fuel use requests, even under the proposed changes MAY actually inhibit use of any fuel source not currently in a facilities Title V permit, and MAY not enhance energy efficiency or reduction of solid waste through common sense use in CFB combustors. Accordingly, **ARIPPA asks the Department to consider modifying the Proposed Regulations to allow for a reasonable time period for approval of trial burns of “opportunity fuels” of previously known characteristics, Such ‘inclusion’ may be based on the results of other unit testing when available**

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NOTABLE QUOTES AND FACT SHEET:

Kathleen A. McGinty, Secretary, PA Department of Environmental Protection

"Pennsylvania's existing waste coal industry has and continues to provide tremendous environmental and economic benefits to the Commonwealth's citizens. However, because many of the smaller merchant facilities have power purchase agreements that will expire, in many cases, by 2013 we believe there is a need to continue to incentivize their existence and the reclamation work they are doing." "These independent power producers have been very useful in converting legacy mine spoil piles to valuable electric power, while reclaiming our impacted landscape. We support the fair and continued operation of these facilities, and urge you to seek exemption of these units from the CAIR SO2 trading program."

Senator Mary Jo White, Chairman, and Raphael J. Musto, Democratic Chairman, Senate Environmental Resources & Energy Committee. "These small, independent plants contribute greatly to cleaning up waste coal piles and reducing the threat posed from air and water pollution. Already, Pennsylvania waste coal facilities have removed over 95 million tons of waste coal and reclaimed over 3,500 acres of abandoned mine lands. Additionally, the generating capacity is crucial to meeting the Commonwealth's energy supply needs. Nearly 2,500 Pennsylvania jobs are either directly or indirectly connected to these plants. We urge you to ensure that the U.S. Environmental Protection Agency implements the Clean Air Act's provisions and exempts these waste coal plants from the SO2 requirements of the CAIR program. Pennsylvania Secretary of Environmental Protection Kathleen McGinty has also expressed her support for this exemption."

Representative Bud George Chairman of the Pennsylvania House Environmental Resources and Energy Committee "First, these plants are successfully eliminating the threats of air and groundwater contamination in the mining region of Pennsylvania, where hundreds of millions of tons of waste coal remain on the ground from the mining industry. I also understand that the plants were built with state-of-the-art technology, and have SO2 emissions that are far lower than other power producers. I believe that we all share the responsibility of ensuring the continued operation of these facilities."

Representative Scott E. Hutchinson, Minority Chairman of the Pennsylvania House Environmental Resources and Energy Committee "These waste coal plants also provide high-paying manufacturing jobs for our citizens, and often are located in areas that already suffer economically. I understand that the plants account for approximately 800 direct and 1700 indirect jobs. Municipal bondholders' interests are also at stake: the plants were financed by Resource Recovery municipal bonds in order to provide the multiple benefits delivered by these small power producers to the Commonwealth. They are also among the cleanest power generators in terms of mercury emissions."

Brian J. Hill, President and Chief Executive Officer, Pennsylvania Environmental Council "PEC has been actively engaged in efforts to promote remediation of abandoned mine sites through the Commonwealth, both at the program and policy level. The recent extension of the Federal Abandoned Mine Land Trust Fund underscores the extent of the need in Pennsylvania... To date, Pennsylvania waste coal facilities have removed more than 95 million tons of waste coal and reclaimed over 3,500 acres of abandoned mine lands. Waste coal facilities were originally exempt from the SO2 cap and trade program because they were relatively small, met all of the environmental control criteria included under Title IV of the Clean Air Act, and were required to sell their power at fixed contracted rates... PEC urges your assistance to help maintain the waste coal facility exemption consistent with Congress's intent." PennFuture (referred to by the Philadelphia Inquirer as PA's leading environmental organization) "PennFuture's leadership was crucial in creating a new energy law, the Advanced Energy Portfolio Standard, which helps create a market for both renewable energy, and for eliminating the tons of waste coal by using new technology to convert that waste to energy."

Organized in 1988, ARIPPA a trade association comprised current of fourteen (14) waste coal-fired electric generating plants. ARIPPA's focus is on beneficial use of waste in the form of fossil fuel... coal waste firing. Accordingly, ARIPPA represents the owners and operators of these independent, non-utility electric power generation stations.

ARIPPA member plants are located in the anthracite and bituminous coal regions of the United States. ARIPPA is unique among the "cogeneration associations" because our sustaining plant members are all operating fossil fuel- waste coal fired- power plants utilizing circulating fluidized bed combustion technology.

Historical significance and background: For nearly two centuries coal has been mined in Pennsylvania. Mining operations continue today and will likely continue for at least another century. In the past coal that was very low in heat content (BTU's) and accordingly undesirable in the marketplace was randomly discarded all across Pennsylvania's landscape. This "waste coal" accumulated and lay idle on thousands of acres of land...land that possessed a variety of aesthetic, useful, and beneficial qualities. Over time wind, rain, and other naturally occurring environmental conditions caused the piles of "waste coal" to alter and/or expand their "environmental fingerprint" on the Commonwealth's limited land resources.

A few decades ago with technological advancements and support from government and investors a beneficial use was finally developed to utilize "waste coal" in quantity. This beneficial use today generates electricity to meet the energy needs of hundreds of thousands of Pennsylvania households. Utilizing waste coal from current and past mining activities, and returning thousands of acres of our land (formerly hidden under tons of an "idle waste") back to its natural beauty and usefulness makes electricity generated from waste coal truly unique. Understanding the unique environmental advantages of the continued beneficial use of waste coal is not only pivotal to understanding the motives behind our comments listed below but also the true partnership our industry shares with the goals and ideals of the PA Department of Environmental Resources. Accordingly I ask and appreciate your special attention to our industry, my comments, and my concerns for the future of Pennsylvania.

The CFB industry began in Pennsylvania in response to the oil and gasoline shortages during the 1970s, and the passing of the Public Utility Regulatory Policies Act (PURPA) in 1978. This act required that electric utilities buy the electricity produced by facilities that met certain qualifications, such as the use of nontraditional fuel. The piles of coal mine refuse (otherwise generically referred to as "waste" coal, culm in anthracitic fields, or gob in bituminous fields) in Pennsylvania met the criteria for nontraditional fuel under PURPA. At about the same time, the CFB technology was being developed which was capable of burning a low-heating-value carbonaceous material and had emission controls that met regulations mandated by the Clean Air Act of 1970. The first CFB plant in Pennsylvania became operational in 1987, and since that time, the plants have collectively burned 110 million tons of refuse and used over 73 million tons of CFB ash for reclamation of abandoned mine lands. It is estimated that the state's CFB plants now burn (2005) 10.7 million tons of refuse coal annually (Dalberto and others, 2004) and consequently produce approximately 7.9 million tons of alkaline-rich by-products per year. More than 90% of these by-products are used for mine reclamation projects, filling mine pits, and the reclamation of coal refuse areas. Another 5%-8% is used as a replacement for lime for acid mine drainage prevention or as a soil amendment/replacement at mining sites. The remaining 2% is used for other beneficial uses such as antiskid for roadways, pipe bedding, and other uses (Joint Legislative Air and Water Pollution Control and Conservation Committee, 2004).

Description of ARIPPA Member Facilities: ARIPPA's fourteen member facilities constitute the overwhelming majority of the waste coal power production industry in the country. Each of the ARIPPA member facilities uses a stationary coal-fired boiler that serves a generator with a nameplate capacity of more than 25 MWe and produces electricity for sale.

The ARIPPA facilities provide a unique environmental benefit in Pennsylvania by burning waste coal as fuel and utilizing circulating fluidized bed ("CFB") technology. ARIPPA facilities utilize coal refuse from both past and current mining activities, and thereby reclaim abandoned strip mines and abate acid mine drainage from waste coal piles at no cost to Pennsylvania taxpayers. By combusting waste coal piles, ARIPPA members are removing one of the principal sources of contamination to surface water and groundwater in Pennsylvania.

In addition to the environmental benefits resulting from the combustion of waste coal, ARIPPA facilities have minimized the air emissions traditionally associated with coal-fired electricity generation by incorporating state-of-the-art, clean coal technology utilizing CFB boilers. Because the CFB units are designed as inherently clean burning sources of electricity, they emit potentially air pollutants, at significantly reduced rates relative to conventional coal-fired utility units.

ARIPPA MEMBERSHIP CONTACT INFORMATION.

Sustaining Members:

Cambria Cogen Company
243 Rubisch Road
Ebensburg, PA 15931
Phone (814) 472-1120
Fax (814) 472-1130
www.northernstargeneration.com/cambria.html

Cogentrix Scrubgrass Generating Plant
2151 Lisbon Road
Kennerdell, PA 16374
Phone (814) 385-6661
Fax (814) 385-6704
www.cogentrix.com/plants/scrubgrass.html

Ebensburg Power Company
2840 New Germany Road
P. O. Box 845
Ebensburg, PA 15931-0845
Phone (814) 472-1140
Fax (814) 472-1143
www.ebensburgpower.com

Gilberton Power Company
48 Eleanor Avenue
Frackville, PA 17931
Phone (570) 874-4456
Fax (570) 874-2581
www.culm2energy.com

Inter-Power/Ahicon Partners, LP
2591 Wexford-Bayne Road
Suite 100
Sewickley, PA 15143
Phone (724) 933-7647
Fax (724) 933-7657
www.nauticom.net/www/megawatt/power.htm

Kimberly Clark Chester Plant
Front & Avenue of the States
Chester, PA 19013
Phone (610) 499-6490
Fax (610) 499-6231
<http://www.kimberly-clark.com/>

Northampton Generating Company, LP
1 Horwith Drive
P.O. Box 460
Northampton, PA 18067
Phone (610) 261-3077
Fax (610) 261-3075
www.cogentrix.com/plants/northhampton.html

Northeastern Power Company
Route 309 South, P.O. Box 7
McAdoo, PA 18237-0007
Phone (570) 929-3242
Fax (570) 929-2233
www.suezenergyna.com

Panther Creek Partners
1001 Industrial Road
Nesquehoning, PA 18240
Phone (570) 645-8721
Fax (570) 645-9763
www.constellation.com

Piney Creek, LP
428 Power Lane
Clarion, PA 16214
(814) 226-8001
Fax (814) 226-7909
www.aciinc.net

Reliant Energy - Seward Station
595 Plant Road
New Florence, PA 15944
Phone (814) 446-7100
Fax (814) 446-7118
www.reliant.com

Schuylkill Energy Resources, Inc.
P.O. Box 112
Shenandoah, PA 17976
Phone (570) 462-2822
Fax (570) 462-3224
Website in Progress

Wheelabrator Frackville Energy Co. Inc.
475 Morea Road
Frackville, PA 17931
Phone (570) 773-0405
Fax (570) 773-0128
www.wheelabratortechologies.com/

WPS Westwood Generation LLC
Route 209 South
P. O. Box 312
Tremont, PA 17981
Phone (570) 695-3175
Fax (570) 695-3758
www.wpspower.com/

Supporting Members:

Black River Generation, LLC
P.O. Box 849
Fort Drum, NY 13602
Phone (315) 773-2314
Fax (315) 773-3416

Dominion Generation
North Branch Power Station
2000 Energy Way
Gorman, WV 26720-9706
Phone (304) 259-4438
Fax (304) 259-4433
<http://www.dom.com/about/companies/generation/index.jsp>

Edison Energy Mission
P.O. Box 159
Grant Town, WV 26574
Phone (304) 278-6117
Fax (304) 278-7437
<http://www.edison.com/>

Koppers Industries, Inc.
P.O. Box 189
Montgomery, PA 17752
Phone (570) 547-1651
Fax (570) 547-1964
<http://www.koppers.com/>

Morgantown Energy Associates
555 Beechurst Ave.
Morgantown, WV 26505
Phone (304) 284-2500
Fax (304) 284-2509

Viking Energy of Northumberland
SUEZ Energy Generation NA
909 Cannery Road
Northumberland, PA 17857
Phone (570) 473-7261
Fax (570) 473-7272

Non-Members:

Mt. Carmel Cogen Inc.
P. O. Box 409
Marion Heights, PA 17832
Phone (540) 373-3999
Fax (570) 373-1389

Sunnyside Cogeneration Associates
P. O. Box 10
East Carbon, UT 84520
Phone (435) 888-4476
Fax (435) 888-2538

Proposed Plants:

Beech Hollow Power Plant
Robinson Township, PA

Nemacolin Power Plant
Cumberland Township, PA

River Hill Power Company, LLC
Karthus, PA

