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February 14, 2011

VIA E-DOCKET

U.S. Environmental Protection Agency
Air & Radiation Docket
1200 Pennsylvania Ave. NW, Mail Code 6102T
Washington, DC 20460

**Re: EPA-HQ-OAR-2008-0708
National Emission Standards for Hazardous Air Pollutants for Reciprocating
Internal Combustion Engines
75 Fed. Reg. 75937 (December 7, 2010)**

Dear Sir or Madam:

The Council of Industrial Boiler Owners (CIBO) appreciates the opportunity to comment on EPA's Notice of Reconsideration of the Final Rule for National Emission Standards for Hazardous Air Pollutants for Reciprocating Internal Combustion Engines.

CIBO is a broad-based association of industrial boiler owners, architect-engineers, related equipment manufacturers, and University affiliates with over 100 members representing 20 major industrial sectors. CIBO members have facilities in every region of the country and a representative distribution of almost every type of boiler and fuel combination currently in operation. CIBO was formed in 1978 to promote the exchange of information within the industry and between industry and government relating to energy and environmental equipment, technology, operations, policies, law and regulations affecting industrial boilers. Since its formation, CIBO has been active in the development of technically sound, reasonable, cost-effective energy and environmental regulations for industrial boilers. CIBO supports regulatory programs that provide industry with enough flexibility to modernize effectively and without penalty - the nation's aging energy infrastructure, as modernization is the key to cost-effective environmental protection.

OVERVIEW OF RULE

On March 3, 2010, the Environmental Protection Agency (EPA) finalized the National Emission Standards for Hazardous Air Pollutants for Reciprocating Internal Combustion Engines, 75 FR 9648 (Mar. 3, 2010) (the Final RICE MACT). The Final RICE MACT distinguished between emergency and non-emergency engines. The primary distinction in the Final RICE MACT is that while non-emergency engines generally must adhere to specific emission limits, emergency engines can adhere to work or management practices. In distinguishing the regulatory requirements for emergency

engines, EPA noted that "because [emergency] engines are used only a few number of hours per year, the costs of emission testing are not warranted when compared to the emission reductions that would be achieved." 75 FR 9661. CIBO supports this outcome.

However, the final rule fell short by defining the emergency engine category too narrowly. Specifically, § 63.6640(f)(4) provides that: "[o]wners and operators may operate the emergency engine for a maximum of 15 hours per year as part of a demand response program if the regional transmission organization or equivalent balancing authority and transmission operator has determined there are emergency conditions that could lead to a potential electrical blackout, such as unusually low frequency, equipment overload, capacity or energy deficiency, or unacceptable voltage level." 75 FR 9654 Also, "[t]he 15 hours per year of demand response operation are counted as part of the 50 hours of operation per year provided for non-emergency situations." 75 FR 9654. The 15-hour limit for emergency engines for this purpose was not in the proposed rule; therefore affected parties could not comment on that aspect of the rule. Two Petitions for Reconsideration were filed addressing this issue. EPA granted the Petitions and on December 7, 2010 sought comment on this issue.

COMMENTS

EPA Should Increase the Non-Emergency Operating Time for Emergency Engines to 60 Hours Per Year.

Emergency Demand Response is designed to avoid natural disasters or system failures, which protects electric service suppliers and consumers who benefit from the services. Because many companies, in order to qualify for and participate in DR programs, must agree to exceed the 15-hour limit, the RICE MACT annual hour limit must be increased for those important public service programs to operate as intended.

There are many DR programs with ISO tariff requirements in varying amounts. The Electric Reliability Council of Texas ("ERCOT") emergency DR program, requires engines that participate in the Emergency Interruptible Load Service ("ELIS") Program to be available up to 24 hours per year. Another program, the Pennsylvania Jersey Maryland ("PJM") Interconnection, known as the Emergency Load Response Program ("ELRP"), requires a 60 hours per year availability time for engines. Although the ISO New England ("ISO-NE") emergency DR program does not provide a baseline requirement in which participating engines must be available, ISO-NE's 90/10 forecast suggests that backup resources would be expected for 55 hours over a 12-month period. The 90/10 forecast means that ISO-NE projects there is only a ten percent chance of load exceeding the forecast. Thus in order to allow non-discriminatory participation in these programs, the highest required time period needs to be allowed in the rule.

CIBO supports EPA's efforts to recognize the benefits and limitations of emergency engines. However, the 15 hours per year cap on emergency engine demand response operation is too low as shown by the above program requirements. Furthermore, it is unreasonable that emergency RICE units > 500 hp installed prior to June 12, 2006 cannot operate at any time for peak shaving/demand response and still maintain their status as "emergency" engines. EPA must revise § 63.6640(f)(4) and increase the hours which an engine may operate for non-emergency demand response purposes and still maintain its emergency status to 60 hours per year, or the minimum hours required by ISO tariffs.

Additionally, EPA should allow units > 500 hp that were installed prior to June 12, 2006 to operate for up to 60 hours per year of peak shaving/demand response operating time and still maintain their emergency engine status.

In the Final RICE MACT, the limit of 15 hours on demand response operation would (1) leave companies ineligible to participate in many programs such as the Demand Response (DR) program limit; and (2) weaken the electric reserve. The 15 hour limit effectively requires engines that operate during electrical emergencies for more than 15 hours per year to install controls that are more costly than might be justified by any environmental benefit. This result is unduly burdensome for engines that operate only for a few days per year and EPA has previously acknowledged this cost.

Engines need to operate in the case of emergency and DR programs to ensure a stable electric grid. Although emergency DR is rarely used, more than 15 hours per year is required by Independent System Operator ("ISO") tariffs. These programs help provide stability for the electric system. The RICE MACT definition of emergency engines must balance a practical limitation upon companies for environmental purposes, with serving the best interest of the electric distribution system and permit reduced energy use to prevent a catastrophic system failure.

In the interest of national security and grid reliability, emergency engines should be encouraged to participate in emergency DR programs without changing their status as "emergency" engines, and the RICE MACT should be amended accordingly. CIBO recommends EPA change the current regulatory text so that an engine may operate "for a maximum of 60 hours per year" for DR purposes, or the minimum hours required by ISO tariffs and maintain its emergency engine status. Additionally, EPA should modify the rule so that units > 500 hp that were installed prior to June 12, 2006 can operate for up to 60 hours per year of peak shaving/demand response operating time and still maintain their emergency engine status.

If you have any questions concerning our comments or require clarification, please contact me at 703.250.9042. Thank you for your consideration.

Sincerely yours,

/s/ Robert D. Bessette

Robert D. Bessette
President