

Air Quality Control Advisory Council Meeting Notes
May 13, 2013 @ 8:15 am
MDE Headquarters—Aqua Conference Room
1800 Washington Boulevard
Baltimore MD 21230

AQCAC MEMBERS PRESENT

Kevin Barnaba
Bill Cunningham
Lorne Garrettson
Shelly Schultz for Kip Keenan
John Kumm
John Quinn
Ross Salawitch
Larry Schoen

AQCAC MEMBERS ABSENT

Andrea Bankoski
Sue Garonzik
Donald Moore
Sara Tomlinson
Karen Young

PARTICIPANTS VIA PHONE

Sania Amr
Ronald White

VISITORS

David Cramer – NRG
Tom Weissinger – Raven Power
Dan Goldstein – ERM
Ed Much – Excelon Power
Jim McGee – Alexander and Cleaver
Ron Pavott – New Page Luke Paper Co.
David Bacher – NRG
Steve Arabia – NRG
Lisa Pfeifer – Pepco Holdings
Ravi Laljani – AKRF

MDE-ARMA

Tad Aburn
Chris Beck
Eddie DuRant
Diane Franks

Brian Hug
Carolyn Jones
Randy Mosier
Danielle Schwarzmann
Husain Waheed
Kathy Wehnes
Luke Wisniewski
Scott Zacharko

This is a summary of the May 13, 2013 Air Quality Control Advisory Council Meeting and serves as a record of the Council's vote on regulatory action items. The meeting is recorded and the digital file is maintained by MDE/ARMA. This digital file is considered public information and may be reviewed in its entirety by anyone who is interested in the details of the discussions.

MEETING OPENING/OPENING REMARKS

Chairman Quinn and Tad Aburn opened the meeting with introductions of members and visitors.

PRESENTATION, DISCUSSION, AND ACTION ON REGULATIONS

Approval of Minutes from December 10, 2012 meeting:

Motion to approve the December 10th, 2012 minutes was made by Ross Salawitch and seconded by Lorne Greene. All members present voted in favor.

COMAR 26.11.09.08 & 26.11.14 Kraft Pulp Mill Amendments

Randy Mosier presented this action, which essentially addresses the presentation of wording in the regulation. This action is a clarification and clean-up regulation and will consolidate existing requirements into chapter COMAR 26.11.14 pertaining to Kraft Pulp mills. The proposed regulation amended the VOC test method procedures and removed Regulation .08 pertaining to SO₂ from the version of the regulation that was approved by AQCAC on May 14, 2012. Tad Aburn mentioned that SO₂ will be a subject of discussion coming soon.

John Quinn asked if the source has been consulted on the proposed regulation and Randy confirmed that the affected source had been contacted by MDE and no objections were known to MDE.

Motion to approve this action was made by John Kumm, and seconded by Bill Cunningham. All members present voted in favor.

COMAR 26.09.01 RGGI Amendments

Diane Franks presented this action pertaining to RGGI amendments, and introduced the RGGI background to the existing cap and trade market, specifically addressing changes to The Cap, The Cost Containment Reserve (CCR), The Cap Adjustment, The Reserve Price, The Control Period and changes to Offset Categories (expanded Forestry Protocol).

Larry Schoen asked about buying allowances, Diane explained the allowances are sold at an auction in conjunction with other RGGI states. This is a bid auction not an allotment to each source.

Larry asked what is an offset? A carbon sink, an example would be investing in forest planting to offset emissions from a source.

Ross Salawitch asked if allowances' expire? No they do not.

Diane explained that 48% of the regional monies collected go toward EE measures. Ross questioned these figures for Maryland specifically. He believes the figures for Maryland are more like 22% toward EE. Diane clarified the 48% was for RGGI states and that MD's percentage was lower. MDE has and will continue to support a greater percentage being directed to EE measures, but that MEA administers the SIEF funds.

Ross commented that there seems to be a flat line in pricing. Diane explained that the latest auction had seen a jump in prices from the price floor of \$1.98 to \$2.61, and the proposed amendments will mean less allowances are available and the price is expected to increase. Diane explained that the current over-supply of allowances leads to a significant bank of RGGI allowances in sources accounts. Diane and Tad answered questions on the 3 year control period and explained the request for 50% compliance for the interim control periods. The interim control period is the first two years of the three-year control period.

When the presentation material was completed, the Council was asked to raise additional questions. Ross mentioned studies to review methane impact are ongoing. Larry asked about economic impact data. Danielle Schwarzmann from MDE explained the average residential customer can expect to pay less in 2020, due in-part to EE measures. Consumers will be consuming less energy as a result of EE measures, however the price of electricity will increase by less than 1%.

Steve Arabia from NRG commented that RGGI alone will have a meaningful impact to the sources, industry. David Cramer from NRG also commented that as RGGI prices increase we could see increased usage of PA and NJ powerplants and there may be shift in energy production and this should be monitored. Diane responded that RGGI has a work group to look for this and has already produced two reports and a third on is imminent.

Motion to approve this action was made by Ross Salawitch and seconded by Larry Schoen. Two members abstained from voting, John Quinn and Bill Cunningham. All other members, 8 in total, voted in favor.

Briefing Presentation – Updates on Ozone Issues

Tad Aburn presented on ozone issues and what it will take for Maryland to meet the new 2008 ozone standard. Tad discussed specific types of transport proven in studied science that affect Maryland, short range city to city, westerly aloft and Nocturnal Low Level Jet aloft from south western weather patterns. Maryland continues to push local controls and support EPA actions such as Tier 3 and low sulfur fuel.

Maryland is now pursuing legal actions. Tad mentioned that it has been since the 1980's that ARMA took legal tactic's with EPA. John Kumm asked if EPA supported the transport theories. Tad explained that CAIR and CASPR have been proposed to address transport but EPA is in a difficult spot. He explained that through the CASPR law suits, the court has given EPA the responsibility to issue State emission budgets.

Confirmation of Next meeting dates:

The Council's next meeting dates were confirmed for:
September 9, 2013
December 9, 2013

The meeting adjourned at 11:01 a.m.