

MINUTES
STATE AIR POLLUTION CONTROL BOARD MEETING
FRIDAY, JANUARY 27, 2006

DEPARTMENT OF ENVIRONMENTAL QUALITY
4949-A COX ROAD
GLEN ALLEN, VA

Board Members Present:

Richard D. Langford, Chairman
Smita Siddhanti

Vivian E. Thomson, Vice-Chairman
Hullihen W. Moore

Board Members Absent:

John N. Hanson

Department of Environmental Quality:

David K. Paylor, Director
Cindy M. Berndt

Attorney General's Office:

Carl Josephson, Senior Assistant Attorney General

- 1) The following minutes summarize activities, which took place at this Board meeting.
 - 2) The meeting was convened at 10:02 a.m. and adjourned at 1:20 p.m.
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Minute No. 1 – State Advisory Board on Air Pollution – Reports: Mr. Dan Holmes, 2006 Chair of the Advisory Board, introduced the two reports. Mr. Dan Demers presented the report on the Virginia Port Authority Emissions. Mr. Ted Handel presented the report on the Compendium of State Advisory Board Reports. The Board received both reports and thanked the State Advisory Board for their work. The Board also asked the Department to report at the next regular meeting on implementation of the recommendations for the Advisory Board contained in the compendium report.

Minute No. 2 – Clean Air Mercury Rule: Ms. Elizabeth Major, Office of Air Regulatory Development presented amendments to the Board's regulation concerning the Clean Air Mercury Rule (CAMR), a rule that will significantly reduce mercury emissions from coal-fired power plants across the country. Ms. Major briefly reviewed for the Board the discussions on the Department's proposal on CAMR at the December, 2005, meeting and the Board's direction to develop a proposal based on the STAPPA/APALCO model rule and present the proposal, along with comparison of the EPA model rule, the Department's December proposal and a STAPPA/ALAPCO based proposal to the Board at a January 2006 meeting. Ms. Major then reviewed a STAPPA/ALAPCO based proposal.

Mr. Tom Ballou briefed the Board on the mercury reductions estimated for each of the three proposals and Ms. Doris McLeod reviewed cost estimates for mercury reductions for each of the proposals.

Ms. Major then presented changes to the STAPPA/ALAPCO proposed language from the language contained in the Board book.

The Board, based on the Board book material, staff presentation, and discussions, on a motion by Ms. Thomson, authorized the Department to promulgate the following for public comment: Part V of 9

VAC 5 Chapter 140 [covering Coal Fired EGUs (Electric Steam Generating Units)]; Article 6 of Part II of 9 VAC 5 Chapter 60 [covering Non-EGUs], and Article 7 of Part II of 9 VAC 5 Chapter 60 [covering Coal Fired EGUs]. (Note: this is the December 2005 Department recommended proposal and the January 2006 STAPPA/ALAPCO model rule based proposal.) (Note: Mr. Langford declared that he was a retiree of Celanese, which may be affected by the regulation and he was able to participate in the transaction fairly, objectively, and in the public interest.)

In addition, the Board directed that the notice of the public comment period specifically request the following:

- Information on the relative risks of mercury
- Comment on mercury trading (the Department had advised the Board that while trading was not contemplated in either of the proposals, legislation was being considered by the General Assembly - both allowing and prohibiting trading - and that seeking comment on trading at this time would be beneficial if trading were authorized)
- Comment on the co-benefit of the proposals to the extent that there is information about that.
- Suggestions for alternative approaches, including the extent to which the proposals could be blended or melded into another approach or a hybrid.
- More information on emerging technologies to control mercury emissions, and other technologies that are currently available that might be cheaper.
- Cost benefit analysis, what are the social benefits of controlled mercury, and co-benefits of controlled mercury.
- Information on the dollar benefit and its impact on human health and the environment, not just the dollar cost of installing the equipment and operating the equipment.
- Information on the benefits and costs of doing an approach and not doing an approach. Also, information comparing and contrasting the approaches, not just information on this approach or that approach.
- All the assumptions of the costs where costs information is provided: including what the equipment is and what it costs, amortization and appreciation assumptions, what capital costs you have assumed and what assumptions you've made on other equipment.
- Input on risks as well. What is current risk to population and how will risk be reduced as a result of the approaches?
- Suggestions of an appropriate percentage reduction for that approach and why the percentage is recommended.

Minute No. 2 – Public Forum: Ms. Mary Harris appeared during the public forum regarding the Mirant power plant. She provided the Board with the current status of Mirant's operations and asked that the Board do everything possible to protect the public from Mirant's emissions. Ms. Julie Crenshaw appeared during the public forum and provided the Board with additional information on hot spots, as well as a suggested definition of the term.

Minute No. 3 – State Advisory Board on Air Pollution – Appointments: The Board, on a motion by Ms. Thomson, unanimously appointed the following individuals to the SABAP with their terms expiring December 31, 2007.

- Gary M. Koerber – Regional Environmental Coordinator’s Office, Navy Mid-Atlantic Region, Norfolk, Virginia
- Michael D. Ward, Executive Director, Virginia Petroleum Council, Richmond, Virginia
- Carmine Battafarano,, Director, Business Development, Burns and Roe Services Corporation, Virginia Beach, Virginia
- Brian Castelli, Executive Vice President & Chief Operating Officer, Alliance to Save Energy, Washington, DC
- Peter L. deFur, President, Environmental Stewardship Concepts

and reappointed the following individuals to the SABAP with terms expiring on December 31, 2007.

- Paige Holt – Alliant Techsystems, Radford, Virginia
- Chris Bagley – DanChem Technologies, Inc., Danville, Virginia
- Sheryl Raulston – International Paper, Franklin, Virginia
- Dudley F. Rochester – Professor Emeritus, University of Virginia Board of Medicine
- Paul R. Thomson, Jr., Esquire – Woods, Rogers & Hazelgrove, Roanoke Virginia
- James Christman, Esquire – Hunton & Williams, Richmond, Virginia
- Sanat N. Bhavsar – Yokohama Tire Corporation, Roanoke, Virginia
- Gerald L. Pellett – NASA Langley Research Center
- Gerald F. Ramsey – Consolidation Coal Company
- L. Evans Drake – Honeywell, Hopewell, Virginia

Minute No. 4 – State Advisory Board on Air Pollution – 2006 Potential Projects: The Board and members of the Advisory Board discussed potential projects for 2006.

Cindy M. Berndt