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IN THE MATTER OF:

Proposed Issuance of a State Construction
Permit to Carlton, Inc., North Shore Power
Plant, to construct an electric generation
facility located North of Ninth Street, East
of the Union Pacific Railroad Tracks in
Newport Township near Zion, Illinois.

The proceedings before the

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

August 15, 2000

Reported by:
Carrie A. McCann, CSR

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The proceedings before the ILLINOIS ENVIRONMENTAL PROTECTION AGENCY, taken before Carrie A. McCann, CSR, a notary public within and for the County of Lake and State of Illinois, on August 15, 2000, at the hour of seven o'clock p.m., at 2600 Emmaus, Zion, Illinois.

APPEARANCES:

MR. WILLIAM SELTZER, Hearing Officer
Illinois Environmental Protection Agency
Division of Legal Counsel
1021 N. Grand Avenue E.
P.O. Box 19276
Springfield, Illinois 62794-9276

MR. CHRIS ROMAINE and MR. MANISH PATEL,
Illinois Environmental Protection Agency
appeared on behalf of IEPA;

MR. JOHN NOTCH
627 Maple Avenue Road
Wilmette, Illinois 60091
appeared on behalf of Carlton, Inc.

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1 MR. SELTZER: This is a hearing in the
2 matter of the proposed issuance of a
3 construction permit for Carlton, Inc., for a
4 gas-fired peaker turbine. The way we will
5 proceed tonight is we will start off with
6 the Agency making a presentation. The
7 Applicant, if they care to, will make a
8 presentation; and then we will go to the
9 audience. The audience will make their
10 comments and ask questions in the order in
11 which the cards are received by me. Are
12 there any questions so far?

13 We will start off now by having
14 the people from the Environmental Protection
15 Agency introduce themselves in addition to
16 myself. My name is Bill Seltzer. I am an
17 attorney for the Agency, and I've been asked
18 to be the hearing officer for this
19 particular hearing. The other members of
20 the EPA that are present will introduce
21 themselves now.

22 MR. PATEL: My name is Manish Patel. I
23 am a permit engineer in the Bureau of Air.

24 MR. ROMAINE: My name is Chris Romaine.

1 I am manager of the utility unit in the air
2 permit section. Also with us this evening
3 at the registration table is Brad Frost who
4 is at the registration table.

5 MR. SELTZER: I know there are some
6 gentlemen present from the Applicant. I
7 would ask that they introduce themselves at
8 this time.

9 MR. NOTCH: Good evening, everyone. My
10 name is John Notch. I am the President of
11 Carlton, Inc., the Applicant for this air
12 permit.

13 MR. SELTZER: Thank you.

14 MR. MACAK: My name is Joe Macak. I am
15 the environmental consultant from Mostardi
16 Platt Associates, and we put together the
17 air permit application and modeling for this
18 project.

19 MR. SELTZER: Thank you. The notice
20 that went out on this hearing indicated that
21 the comment period would run until the end
22 of this month. That is August 31st. The
23 hearing officer has the authority to extend
24 the comment period. And I am extending the

1 comment period till September 15, to give
2 the general public a 30-day opportunity to
3 make their comments for this record.

4 I talked to the Applicant before
5 the hearing began; and because they have
6 already given us a waiver and the time
7 period in which the Agency is required to
8 act will have expired, I have asked them if
9 they will extend and give us a waiver until
10 -- for the Agency to act on the permit until
11 October 30, of 2000. They have agreed; but
12 I will ask you to confirm that on the
13 record, please.

14 MR. NOTCH: Yes, that's correct.

15 MR. SELTZER: Thank you. At this time
16 I will ask the representatives from the EPA
17 to make their presentation.

18 MR. ROMAINE: Good evening. Thank you
19 for coming tonight. I just want to make a
20 couple of general points before we get into
21 the hearing and start hearing your comments.
22 My first point is we do care about your
23 comments. You may wonder why we are holding
24 a hearing tonight to get public comments

1 since we have already prepared a draft
2 permit.

3 One of the reasons is that
4 that's our procedure. But the important
5 reason, it means that we have completed our
6 review; and it indicates that this Applicant
7 has provided an adequate application and is
8 entitled to a permit.

9 Before we take final action to
10 do such, to issue that permit, we want to
11 get your comments. If there are things that
12 we have overlooked, not considered that we
13 can consider, we want to do that. So we are
14 certainly interested in your comments here
15 tonight.

16 The second point may not be as
17 encouraging. We have a very specific job
18 and role in the permitting of a proposed
19 facility. Our job is to review compliance
20 with applicable state and federal
21 environmental regulations.

22 In particular, the permit
23 application that we are looking at tonight
24 deals with the emissions and air pollution

1 impacts of this facility. And that's the
2 focus of the permit that we are proposing to
3 issue, and that's what we are looking for
4 comments on. So certainly the comments that
5 can affect the decision tonight are comments
6 that are related to emissions and air
7 pollution.

8 My final point is that we will
9 certainly do our best to answer your
10 questions about emissions and air pollution
11 control, environmental aspects of this
12 project. But if we can't, we will take them
13 back to us in Springfield, consult with our
14 experts, and prepare a response.

15 We will, in fact, be preparing a
16 written response in this summary. We will
17 be sending that response of this summary to
18 everybody who has registered tonight who has
19 filled out a card. That's why it is so
20 important to fill out that card. Obviously,
21 if you send in letters or written comments
22 to us, we will also send you that response
23 of the summary. Thank you again for coming
24 tonight.

1 MR. SELTZER: Thank you. Let me just
2 say a word or two before we go to Manish,
3 and that's that this application was filed.
4 May I find out when the application was
5 originally filed with the Agency, the date
6 of filing?

7 MR. ROMAINE: December 21.

8 MR. SELTZER: December 21, 1999. Under
9 the law, the Agency has, I believe, 180 days
10 in which they have to act. If the Agency
11 does not act within that 180-day time
12 period, the permit is considered as
13 automatically granted.

14 The Applicant in this case, as
15 happens in many cases, gives the Agency
16 extensions or waivers of the 180-day
17 requirement to give the Agency any
18 additional time it requires in order to
19 review the permit application. So here, you
20 see we have obviously gone over the 180-day
21 period. That's what I was talking about
22 when I first started when I indicated that
23 they now gave us an additional waiver until
24 October 30, of the year 2000. Manish?

1 MR. PATEL: Thank you. Good evening,
2 ladies and gentlemen. As I mentioned
3 earlier, I am Manish Patel. I am a permit
4 engineer in the Bureau of Air. I would like
5 to give you a brief description of the
6 project.

7 Carlton has requested a
8 construction permit for an electric
9 generation facility in Zion. The project
10 would be located on -- north of Ninth Street
11 on the western edge of Zion.

12 The proposed facility is
13 designed to function as a peaking power
14 station. Peaker plants generate electricity
15 in peak demand periods and at other times
16 when other power plants are not available
17 due to scheduled or unexpected outages. In
18 Illinois, peak power demand occurs during
19 daylight hours on hot summer weekdays due to
20 the power demand for air-conditioning.

21 The facility would use gas
22 turbines to generate up to 589 megawatts of
23 electricity. Electrical generators on the
24 shaft of the turbines would directly produce

1 power. One of the advantages of a turbine,
2 unlike a steam power plant, is that it can
3 be quickly turned on or off in response to
4 change in demand for power.

5 The facility will only burn
6 natural gas, which is the cleanest
7 commercially available fuel. Natural gas
8 does not contain significant amount of
9 sulfur or ash as present in coal and oil.
10 The pollutant of interest for burning
11 natural gas is nitrogen oxides or NOX. NOX
12 is formed when nitrogen and oxygen in the
13 atmosphere combine during the high
14 temperature of combustion.

15 At this time Carlton has not
16 decided whether it will install six smaller
17 GE turbines or three larger GE turbines. In
18 either case, the NOX emissions of the
19 facility would be well controlled. The
20 maximum NOX emissions of the turbines are
21 limited by use of low-NOX burners to no more
22 than 15 parts per million.

23 The project is not considered a
24 major because the permitted emissions of

1 pollutants from this facility would be less
2 than the source threshold. For projects
3 that are not major, an air quality study is
4 not required by applicable rules.

5 However, Carlton has performed
6 an air quality study to determine the air
7 quality impacts from the project for
8 pollutants other than ozone. Even though
9 the adjacent Zion Energy project has not
10 received a permit, the modeling included
11 this facility. The study indicates that air
12 quality would comply with ambient standards.

13 With respect to ozone, the
14 facility should not have any effect on local
15 air quality, as ozone forms gradually as
16 precursor compounds react. This facility
17 would be addressed as part of Illinois'
18 program to roll back NOX emissions from
19 electric utilities, as needed to comply with
20 the ozone standard in the Chicago area and
21 in area downwind.

22 In summary, the Illinois EPA has
23 reviewed the materials submitted by Carlton
24 and has determined that the application for

1 the project shows that it will comply with
2 applicable state and federal standards. We
3 have prepared a draft of the construction
4 permit that sets out the conditions that we
5 proposed to place on the facility to assure
6 continuing compliance.

7 In closing, we welcome any
8 comments or questions on our proposed
9 action. Thank you.

10 MR. SELTZER: Thank you. We will go
11 now to the Applicant.

12 MR. NOTCH: Thank you. Thank you,
13 Manish, for your introduction to the draft
14 air permit for the North Shore Power
15 Project. I also would like to thank all of
16 you for coming out this evening to express
17 your comments and ask questions regarding
18 this draft air permit.

19 Before we begin the question and
20 answer segment of tonight's EPA public
21 hearing, I would like to say a few words
22 regarding the North Shore Power Project.
23 The North Shore Power Project has been in
24 the public domain for quite some time. Last

1 year in August an application was filed with
2 the City of Zion to annex the property into
3 the city. This annexation was the topic of
4 discussion at several city council meetings
5 in the city, the annexation at several city
6 council meetings during the month of
7 December of last year and January of this
8 year.

9 In particular, on January 25, of
10 this year, a specially scheduled meeting of
11 the Zion City Council, the project was
12 presented in depth; and questions and
13 answers were exchanged with the public.
14 That meeting lasted from 6:00 p.m. till
15 approximately 11:00 p.m. until all questions
16 were answered.

17 In the days following the
18 special meeting presentation, additional
19 questions were forwarded to Carlton. And
20 these questions were answered and returned
21 in writing.

22 As a result of the questions and
23 concerns raised at the special January
24 public meeting, the permit application for

1 the North Shore Power Project as originally
2 submitted to the Illinois EPA was modified
3 in March of this year to make the project
4 more environmentally acceptable. The
5 project now utilizes the best available
6 control technology for all the gas turbines.
7 That's whether it is the primary or the
8 backup alternate design. And all of them
9 use the dry low-NOX burners for all design
10 options. With this modification, the water
11 requirements for the project have been
12 slashed dramatically.

13 I'd like to highlight that all
14 peaker projects are not the same; and I
15 would ask you, the public, to approach this
16 project with an open mind. The North Shore
17 Project is a modest project and simple in
18 its concept. Only open cycle gas turbines
19 with dry low-NOX burners will be used. The
20 only fuel will be clean, natural gas with no
21 fuel oil for backup. Only a small amount of
22 water will be required, which can easily be
23 supplied by the City of Zion.

24 No power augmentation through

1 steam injection will be utilized to minimize
2 the amount of air emissions and also to
3 reduce the number of stacks at the facility.
4 Only outdoor installation of the gas
5 turbines are to be utilized in order to
6 eliminate the bulk and appearance of a large
7 building and to reduce the height of the
8 stacks.

9 The site that we have for the
10 North Shore Power Project is ideal in the
11 sense that it is right -- that the immediate
12 neighbor to the northeast and southeast of
13 us is the sanitary -- North Shore Sanitary
14 District Landfill. And the immediate
15 neighbor to the west of us would be the
16 Commonwealth or the railroad tracks as well
17 as the Commonwealth Edison transmission
18 lines.

19 The turbine units on this
20 project will be located in the far northeast
21 corner of our property to provide the
22 greatest amount of distance to the neighbors
23 to the west and to aesthetically blend into
24 the process buildings and silos already

1 present on the North Shore Sanitary District
2 Landfill property to the east.

3 The North Shore Power Project
4 has met all of the customary requirements
5 for obtaining an air permit to construct
6 from the Illinois EPA as well as some new
7 stringent requirements which have been
8 instituted recently. Although the permit
9 application for this project was submitted
10 in December of last year as a non-PSD permit
11 application, which normally has not required
12 any air dispersion modeling, this project
13 was required by the Illinois EPA to perform
14 air dispersion modeling for itself as well
15 as other power station emitters in the area.
16 All of this was completed. In all cases,
17 the air emission impacts of the North Shore
18 Power Project were found to be insignificant
19 on local air quality.

20 With the closure of the Zion
21 nuclear station and the transmission
22 constraints of the existing Commonwealth
23 Edison system, the North Shore area in
24 Illinois is, in particular, needs new

1 generation, both base-load and peaking. The
2 North Shore Power Project is cleaner, more
3 efficient, more economical, and more
4 environmentally benign than any of the other
5 current methods of generating electricity in
6 this area.

7 This project should be embraced
8 and supported because it will reduce our
9 current reliance on old coal and fuel oil
10 burning power plants. Our air would be much
11 cleaner because of this project, and we
12 would all be much better off. Thank you.

13 MR. SELTZER: Thank you. I have a
14 question or two before you sit down. During
15 your comments you just -- you talked about a
16 PSD project. You used that acronym. Would
17 you explain that, please?

18 MR. NOTCH: Yes. That's a nomenclature
19 for Prevention of Significant Deterioration.
20 It is I guess a buzz word with Illinois EPA.
21 If you are below certain emission tonnage
22 limits, your project would be considered
23 like you wouldn't trigger a PSD, full PSD
24 application; and, therefore, I guess they

1 would call it a non-PSD.

2 MR. SELTZER: You also talked about a
3 hearing before the Zion City Council; is
4 that correct?

5 MR. NOTCH: Yes. We have had several,
6 several meetings with the City of Zion at
7 regularly scheduled city council meetings.

8 MR. SELTZER: What is the purpose of
9 those meetings? And what I am really asking
10 is does some other entity such as Zion
11 itself have the authority to under some
12 zoning ordinance or other ordinance to
13 permit your facility? Do you need authority
14 from any other entity other than the EPA?

15 MR. NOTCH: We certainly do. The
16 concept of this project is to have the 43
17 acres which currently are Unincorporated
18 Lake County to be annexed into the City of
19 Zion.

20 MR. SELTZER: So you need approval from
21 who?

22 MR. NOTCH: Yes, from the City of Zion.
23 We have an application pending for an
24 annexation to the City of Zion.

1 MR. SELTZER: What are the areas which
2 Zion can look into in making their
3 determination?

4 MR. NOTCH: Well, they pretty much can
5 ask us to do all sorts of things just in
6 terms of having us agree to any annexation
7 agreement to become part of the city.

8 MR. SELTZER: So would you describe for
9 me, because this was an issue last night and
10 it will be an issue tonight, the various
11 environmental areas that the council will or
12 may look into?

13 MR. NOTCH: Well, I don't mean to speak
14 for the City; but I would say that I believe
15 they are looking certainly to the Illinois
16 EPA to more or less be setting the
17 requirements for the environmental type
18 issues, certainly for air. When it comes
19 to --

20 MR. SELTZER: Anything beside air they
21 are looking to the Agency for?

22 MR. NOTCH: Certainly. The City of
23 Zion, obviously, is concerned about noise.
24 They have --

1 MR. SELTZER: Let me interrupt you for
2 a minute. They are not looking to the EPA
3 for information on potential noise
4 pollution, are they?

5 MR. NOTCH: No, certainly not, no.

6 MR. SELTZER: Okay. Continue.

7 MR. NOTCH: Certainly noise is an
8 issue, the concern expressed I think in
9 January about the use of water, and to some
10 extent the -- maybe the inability of the
11 City of Zion in its current situation to
12 supply large quantities to the project on
13 the west of town. That's a concern for
14 them. There are issues because, again, we
15 are on the western edge of town about
16 improving that whole general area in terms
17 of operating the road on Ninth Street and
18 issues like that.

19 MR. SELTZER: Have you gotten
20 permission yet from the City of Zion?

21 MR. NOTCH: No, we have not.

22 MR. SELTZER: When is your due date?
23 When do you expect a decision from the City
24 of Zion?

1 MR. NOTCH: It is really hard to say at
2 this point.

3 MR. SELTZER: You mentioned a couple
4 different areas of pollution control that
5 you believe the City is looking into. One
6 being noise pollution. Did you make any
7 presentations with regard to noise pollution
8 to the City?

9 MR. NOTCH: We have not done the full,
10 I'll say noise studies, at this point. We
11 certainly have obligated to the City that we
12 will be in full compliance with the Illinois
13 EPA or I guess the state regulations, you
14 know, as enforced by the EPA, as well as the
15 special ordinances on the City regarding
16 noise. They have some nuisance ordinances
17 and things like that.

18 MR. SELTZER: Have you been using a
19 noise consultant?

20 MR. NOTCH: Well, he is sitting right
21 there. I use Mostardi Platt for all sorts
22 of --

23 MR. SELTZER: Well, okay. Are you
24 going to make any statement before we go to

1 the audience this evening?

2 MR. MACAK: I am here to answer some
3 questions if they come up but no formal
4 presentation.

5 MR. SELTZER: Would you identify
6 yourself for the record, please?

7 MR. MACAK: Yes. My name is Joe Macak,
8 M A C A K. I am with Mostardi Platt
9 Associates.

10 MR. SELTZER: Mr. Macak, have you done
11 any noise study of the area in question?

12 MR. MACAK: Not yet. We have not run a
13 modeling study site specific for this
14 project.

15 MR. SELTZER: Have you taken any noise
16 measurements, sound measurements?

17 MR. MACAK: Not at this location, no.
18 But that -- the way we do the modeling, the
19 background noise levels, that's not taken
20 into consideration in the modeling. It is
21 used as a correction later when you do the
22 evaluation.

23 MR. SELTZER: Could you explain that a
24 little bit?

1 MR. MACAK: Yes. When -- There is a
2 requirement the way Mr. Zach from Illinois
3 EPA requires. When you do a modeling study
4 for noise, we can do -- what we do is we do
5 the prediction of the noise levels at full
6 operating conditions for the plant. We
7 don't take corrections for any ambient noise
8 levels like say highway noise or anything
9 like that. We don't subtract that from our
10 numbers to show lower numbers. We design
11 the plant so that it will comply with the
12 state standards at all the octave bands
13 without worrying about the ambient levels.

14 Then when you go to demonstrate
15 compliance, what they require is within 30
16 days prior to doing a noise compliance test
17 you actually test the background levels at
18 that time. And then you -- that sets like a
19 baseline noise level for daytime and
20 nighttime.

21 Then when you measure it with
22 the plant operating, you are allowed to make
23 some type of adjustment for background
24 noise. But to be conservative, the plant

1 would be designed without trying to obtain
2 any correction for background noise 'cause
3 that would just lower the predicted numbers.

4 MR. SELTZER: The state has daytime and
5 nighttime limits?

6 MR. MACAK: Yes, that's correct.

7 MR. SELTZER: For this type of facility
8 is called what, stationary noise source?

9 MR. MACAK: Well, it would be a
10 stationary facility. The standards apply
11 daytime and nighttime. What we are looking
12 at, we are an industrial facility, an
13 industrial impact. There's an industrial
14 and a commercial property set of standards
15 and also industrial to residential.

16 So you would look at the nearest
17 commercial property like a Walgreen's or
18 something like that, and also to a -- the
19 nearest residential receptor would be a
20 critical receptor that gets modeled.

21 MR. SELTZER: Okay. Did you do any
22 studies with regard to any possible impact
23 on water wells because of this facility?

24 MR. MACAK: No. This facility is not

1 using any water wells. They are just using
2 city water. The original design of this
3 plant had an alternate design with an ABB
4 gas turbine where they used water for --
5 water injection for NOX control. That
6 design has been dropped due to, primarily
7 due to some public comments we received back
8 in January of this year.

9 MR. SELTZER: How much water will be
10 used?

11 MR. MACAK: On a normal day, it would
12 be less than 10,000 gallons per day --

13 MR. NOTCH: That's average annual.

14 MR. MACAK: -- average annual number.

15 On a peak day where they use water for
16 evaporative cooling, where water is dripped
17 on an inlet filter to help boost some power
18 output, there is more water consumption.
19 That would total 50,000 gallons per day,
20 which is about the size of like five
21 swimming pools.

22 MR. SELTZER: What happens to that
23 water after it's been used?

24 MR. MACAK: It's -- It is evaporated.

1 MR. SELTZER: All of it?

2 MR. NOTCH: Just about.

3 MR. MACAK: Yeah. There is some
4 wastewater present. But it is -- the part
5 that's used for evaporative cooling is
6 evaporated. There is a slight amount of
7 load down, approximately two gallons per
8 unit -- gallons per minute.

9 MR. SELTZER: Do you know whether or
10 not the EPA permits that evaporation ponds
11 or evaporation process such as the one you
12 just described?

13 MR. MACAK: The evaporative coolers,
14 no; but cooling towers, if those were used,
15 they are putting those in the air permits
16 even though there is exemption for a cooling
17 tower. We do now evaluate them when a
18 cooling tower is a part of a power project.

19 MR. SELTZER: Okay. These issues that
20 we just talked about, are these issues that
21 are being looked at as far as you know by
22 the City of Zion?

23 MR. MACAK: I am pretty sure that they
24 are definitely concerned about the water

1 consumption, and I would defer to John Notch
2 to answer that in more detail.

3 MR. NOTCH: That's true, yes.

4 MR. SELTZER: Okay. Thank you. The
5 reason I asked those questions is most of
6 you here know those are issues of import to
7 all of you out there. You've been raising
8 these issues to the EPA representatives that
9 are here this evening.

10 And what I would like you to
11 understand is that as Mr. Romaine said in
12 his opening comments, this permit
13 application does not allow the Agency to
14 look into the type of issues we just
15 discussed. This permit application was
16 simply reviewed under federal and state
17 regulations that pertain to air emissions.

18 And I would like to limit this
19 hearing, focus this hearing on the permit
20 that we are talking about rather than issues
21 over which the Agency has no authority or
22 control. Are there any questions? Yes,
23 ma'am. Would you identify yourself?

24 MS. JACOBS: Terry Jacobs. Just for

1 clarification on the noise in particular,
2 the gentleman in the dark suit -- I am
3 sorry, I don't recall your name -- when
4 talking about the noise had said that his
5 figures regarding the noise studies were
6 conforming to requirements of Mr. Zach of
7 the Illinois EPA. Now, who -- Mr. Zach is
8 with the Illinois EPA?

9 MR. SELTZER: Yes.

10 MS. JACOBS: What does the Illinois EPA
11 require the noise? Do they somehow have
12 something to do with the noise regulations
13 since you brought them up?

14 MR. SELTZER: Can I answer that?

15 MS. JACOBS: Sure.

16 MR. SELTZER: As I stated last night
17 and I will state now, the EPA does not have
18 statutory authority to issue permits for
19 noise sources. If the Agency had that
20 authority, it may be a different ball game
21 all together; but we don't have that
22 authority.

23 There are standards that are, in
24 fact, adopted by the Pollution Control

1 Board. And those are board rules and
2 regulations, and there is a set of noise
3 standards that the Pollution Control Board
4 has adopted.

5 There's also, I believe, a
6 general nuisance provision that's been
7 adopted in those regulations. But the
8 Agency itself essentially has no noise
9 program because we virtually have no
10 enforcement ability or authority, and we
11 have no authority to issue permits. Does
12 that answer your question?

13 MR. ROMAINE: Well, let me.
14 Notwithstanding that discussion, we do have
15 an individual -- and I think actually he has
16 an assistant now -- whose function is to
17 assist the public and citizens in
18 administering and enforcing the noise
19 regulations. If there are questions about
20 appropriate methodologies to use, how
21 analysis should be contacted, how
22 measurements should be carried out, that is
23 the gentleman who is the expert for the
24 Illinois EPA that we direct those questions

1 to. Quite often when there are enforcement
2 cases on noise, he is called in as an expert
3 witness to help clarify technical aspects
4 with regard to the noise regulations.

5 So there certainly are noise
6 regulations. We have expertise in that
7 area, but we do not have a permit program in
8 that area. And we certainly do rely on
9 citizens, municipalities to initiate
10 complaints in enforcement actions.

11 MR. MACAK: I would like to add one
12 more comment. Maybe it will help answer
13 your question. If the facility didn't
14 comply with the noise standards, you know,
15 there is some recourse that the project
16 would have to be modified or additional
17 controls put on in order to, you know,
18 demonstrate that you are compliant. So it
19 is not like it is not regulated.

20 There is no permit issued. But
21 we are stating that it will be in full
22 compliance with the Illinois regulations.
23 And then, you know, we will do a test to
24 demonstrate that; and those results will be

1 provided to the City. And if, you know,
2 they want to participate in the study, I am
3 sure, you know, that would be welcome also.

4 MS. JACOBS: With all due respect, you
5 seem like a very honest and forthcoming
6 gentleman. I am sure your company is as
7 well. This is my first experience with you.
8 I am hear to find out what I can and ask
9 questions, and hopefully they will be asked
10 by the appropriate parties.

11 I thought I heard you say that
12 things such as the background won't be
13 tested until at least 30 days. And a lot of
14 these, the background tests that you are
15 taking, those will all happen after the fact
16 of being given permission by the city
17 council; is that correct, the corrections if
18 there were any to be made?

19 MR. MACAK: When we do a full, a
20 final -- you notice today the project has
21 two designs.

22 MS. JACOBS: I am going somewhere with
23 this.

24 MR. MACAK: So we will model the final

1 design that is selected for this project.
2 As part of that, yes, we will -- we will
3 measure ambient noise levels, you know, a
4 year before the project is built. But those
5 numbers are basically -- they go into a
6 report. But you don't really do anything
7 with them because you are designing the
8 plant to assume that you are never going to
9 be allowed to have any correction for
10 background levels.

11 For instance, if you are near an
12 airport or a loud highway, we measure them
13 levels. They will already exceed the state
14 standard. So you don't want us to design a
15 plant that is, you know, allowed a big
16 correction for background noise for traffic.
17 We will design it assuming there is no
18 correction, which will give you more a
19 conservative design or better design.

20 Then later when you demonstrate
21 compliance, there is octave band
22 requirements where you have to demonstrate
23 that you are passing. It is not just one
24 number. You have to meet like nine sets of

1 numbers.

2 If you then go to measure a
3 receptor by the highway in that area, the
4 background is already above the state limit.
5 And then we run the plant, and it is a
6 little bit higher than we previously
7 measured. There is a process in Illinois
8 where you are allowed to correct for a level
9 that's already above any -- that may already
10 exceed the standards.

11 We have done a number of these
12 projects. Some -- One happened to be
13 located near the Chicago Skyway. That level
14 is way louder than the state standards, just
15 the background noise there. There is
16 nothing you can do about that. But you
17 wouldn't want us to design a plant to meet a
18 standard -- I mean to take credit for some
19 loud levels that are already there.

20 So, you know, it is getting
21 lengthy; but basically you are designing it
22 assuming you are not going to be allowed any
23 correction. So when you do measure a
24 background level later, you may, if the

1 numbers are close enough to your numbers,
2 there is a formula where you can subtract
3 off background levels.

4 MS. JACOBS: It is my understanding in
5 doing this properly in order to meet the
6 noise levels in each and every octave band
7 that the Illinois statutes require is that
8 you disregard the extreme highs. And when
9 you are taking into account the ambient air
10 noise such as if you are near a highway, you
11 are not supposed to be taking that into
12 account as the ambient; is that correct?

13 MR. MACAK: That's correct because --
14 and the reason for that --

15 MS. JACOBS: Is that what you were --

16 MR. MACAK: That's what I say saying.
17 We don't take any correction for background
18 levels when we design it.

19 MS. JACOBS: You are saying you would
20 be adjusting -- it seemed to me you might be
21 adjusting, taking it in advance that might
22 throw off if you were to allow truck noise.

23 MR. MACAK: Exactly.

24 MS. JACOBS: I am saying I don't think

1 that's how you go about doing it. Wouldn't
2 you be disregarding that?

3 MR. MACAK: No. When you design the
4 plant, you don't want to design -- let's
5 assume you design a plant, and you have some
6 loud highway noise. Then when you go to do
7 a compliance demonstration, you do some
8 background noise levels like say a year
9 later. If there was no traffic, the numbers
10 are going to be significantly different than
11 what you might have measured a year prior.

12 You don't want to take credit
13 for high numbers that might have occurred a
14 year prior. So you design the facility to
15 comply without any corrections whatsoever.
16 You are -- it is -- it is the most
17 conservative approach.

18 MS. JACOBS: I really appreciate your
19 comments. I don't necessarily -- I would
20 have more, but I don't want to take up your
21 time with this.

22 My point being with asking these
23 questions is since you brought them up to
24 begin with and since the -- you are asking

1 them really to speak for the city council in
2 what they are or are not presumably going to
3 be considering and based on what their
4 thoughts are, I mean none of us here can
5 speak for the city council. And having come
6 from Libertyville, we went through 20 plus
7 meetings of this, which is many more than
8 anyone would want to go through I am sure
9 including our planning commissioners.

10 The one thing that did come out
11 of it, it was freshman course, at least 101.
12 I learned a lot from that. Our planning
13 commissioners learned a lot. City council
14 learned a lot. This was the benefit of
15 going through a lot of this questioning
16 before the permitting process with what
17 would be your city council here.

18 So I don't think -- it seems to
19 be being implied that by -- they are saying
20 that this probably will, maybe, should be,
21 could be taken up with the city council,
22 that there are -- there is really no need to
23 talk about it here is not an adequate enough
24 reason to not allow people to bring forth

1 questions. Perhaps they shouldn't be
2 lengthy questions. Perhaps they shouldn't
3 command as much time as what we are doing
4 now. I only wish to make the point now for
5 clarification purposes.

6 And since Mr. Zach of Illinois
7 EPA was mentioned, there are some real
8 important things I think that should be
9 taken into consideration, at least the
10 questions put on the testimony since what
11 they said has been put on the testimony so
12 far. Thank you.

13 MR. SELTZER: Okay. The reason I did
14 all this because it is off topic is in the
15 hopes of getting some of these issues
16 discussed a little bit beforehand and out of
17 the way. I would like to stay on topic
18 tonight. This permit application is not
19 being reviewed for those other disciplines.
20 The only discipline that's being examined
21 with regard to this permit application is
22 the emission of pollutants, air pollutants.

23 And I guess I am making a plea
24 with people in the audience to stick to the

1 issue because it is a waste of time frankly
2 to talk about other issues that upon review
3 by this Agency are ignored because under the
4 law what the Agency has to do when they read
5 the transcript, the record that is being
6 created this evening, is only look at those
7 issues or comments or questions or facts
8 that pertain to the permit process. That
9 being said, sir, are you raising your hand?

10 MR. WILSON: Yes, I am.

11 MR. SELTZER: Could you identify
12 yourself?

13 MR. WILSON: Ray Wilson representing
14 Greg Kazarian for State Senate. I just had
15 a question really on air pollution.

16 MR. SELTZER: Let me interrupt you.
17 Before we go to questions with the audience
18 and we do have cards and I will call them in
19 the order in which I have the cards, let's
20 take a ten-minute break now. Then we will
21 start over again. In the meantime, I hope
22 somebody can turn on the air-conditioning
23 and cool down the room a little bit.

24

1 (After a short recess, the
2 proceedings resumed as
3 follows:)

4
5 MR. SELTZER: One other matter before
6 we go back to the audience, last night we
7 told people that wished to have their
8 comments or questions made part of the
9 record of this evening's proceeding, they
10 could do so upon request. Because of the
11 close proximity of these two facilities, I
12 am going to do the same thing this evening.

13 If anybody wants their questions
14 or comments to be on the record of last
15 night's proceeding, simply make the request.
16 Clearly if specific questions are asked
17 concerning one or other of the facilities
18 that pertain to the facility itself, it
19 won't be relevant to the other record. We
20 will go to the audience now. The first
21 person is Audrey Streicher.

22 MS. STREICHER: I spoke to you before,
23 and my question was concerning water which
24 is irrelevant I understand to this program.

1 So I will have to pursue that some other
2 time.

3 MR. SELTZER: I appreciate that. Will
4 you please spell your last name for the
5 record before you sit down?

6 MS. STREICHER: S T R E I C H E R.

7 MR. SELTZER: Thank you. Next is Carol
8 Dorge.

9 MS. DORGE: Thank you. My name is
10 Carol Dorge, and I am representing the Lake
11 County Conservation Alliance. I said this
12 last night. I am going to say it again
13 tonight.

14 We think you are acting on
15 incomplete applications. The law may
16 require you to act on complete applications,
17 but none of the applications we have seen
18 here are complete in our opinion. I have
19 another letter which I would like to read
20 addressed to the Illinois Environmental
21 Protection Agency.

22 "To whom it may concern: The
23 purpose of this letter is to object to the
24 timing of this public hearing. The public

1 is being asked to comment on the Carlton,
2 Inc., air permit application based upon a
3 permit application that is missing
4 information, that's full of inconsistencies,
5 and that relies on conclusary statements
6 rather than explanations and information
7 that can be substantiated by documentation
8 in the record.

9 We have asked for the entire
10 administrative record and have reviewed what
11 we've been given. We have also asked for
12 calculations and assumptions used,
13 particularly those relating to start-up, and
14 have not received a response. We have also
15 attempted to review information of the
16 depository of the Waukegan Public Library
17 and have been told that it wasn't there.
18 Although, we were able to finally locate it.

19 The Lake County Conservation
20 Alliance objects to tonight's proceeding.
21 The application is incomplete. The record
22 is incomplete. IEPA should postpone this
23 hearing and defer issuing any permit until
24 such time as complete, accurate, reliable

1 information is provided. The record does
2 not establish that this facility could be
3 operated in compliance with applicable
4 regulations.

5 The Applicant should be required
6 to produce complete, accurate, reliable
7 emission data for all pollutants. In the
8 meantime, they should be sent back to the
9 drawing board; and this proceeding should be
10 put on hold.

11 Again, assuming you go forward,
12 and I am assuming you will, the Applicant,
13 Carlton, will be asked many questions about
14 technical questions and questions relating
15 to the ownership and control of the
16 facility. And we urge Carlton and IEPA to
17 respond in as great detail as possible
18 because the public needs their answers."

19 I am not going to read again the
20 errata. There were a number of items
21 missing from this application. In fact,
22 there is a huge number. We are almost
23 wondering why you bothered to ask for
24 applications since you seem to just answer

1 the questions if they don't feel that they
2 need to answer them.

3 Among other things, there
4 appeared to be -- this application, by the
5 way, relies on fuel usage as the sole
6 limitation on its emissions. And they were
7 off, I read it by three orders of magnitude
8 in some of the numbers they gave for their
9 fuel usage.

10 Staff information was also
11 conflicting. So I will start with the first
12 question. How many stacks are there? How
13 tall are they, and how wide are they?

14 MR. MACAK: That information is in the
15 application.

16 MS. DORGE: It was inconsistent with
17 the information in the modeling.

18 MR. SELTZER: Could I ask you both to
19 stand up by the microphone, please?

20 MS. DORGE: Your model used 25 some
21 meters, which I don't know how many feet
22 that is.

23 MR. MACAK: The original permit
24 application went in. We were going to

1 conservatively assume the shorter stack,
2 which was 55 feet. When we looked at the
3 design, the height of the inlet structure,
4 we found out it was almost 50 feet.

5 So we raised the stack height to
6 85 feet, and that's what's in all the
7 modeling and subsequent submittal. And we
8 did evaluate downwash effects from any of
9 the structures as part of the modeling.

10 MS. DORGE: So the case of the six
11 turbine, six 85-foot stacks, and the case of
12 the three 85-foot stacks?

13 MR. MACAK: Correct.

14 MS. DORGE: Did you, in your modeling,
15 did you look at the --

16 MR. SELTZER: It might be best if you
17 stayed up there by the microphone.

18 MS. DORGE: Did you consider the
19 building that SkyGen is building or the
20 landfill?

21 MR. MACAK: Yes. We -- As we did the
22 modeling, we did get all the structures
23 which was a pretty large building. For the
24 SkyGen facility, we had all the coordinates,

1 fence line receptors. We did an evaluation
2 of downwash with that building and ours.
3 And, also, we did evaluate some of this
4 landfill questions about the higher heights.

5 MS. DORGE: Would you be willing -- If
6 we have questions later on, would you be
7 willing to talk and answer?

8 MR. MACAK: Absolutely.

9 MS. DORGE: Including where the
10 receptors are located because that wasn't
11 shown in the information that we have?

12 MR. MACAK: I am not sure what -- All
13 the receptor information is in the modeling
14 report. I am not sure if you are -- if you
15 saw the report that was submitted because
16 all that information is in there. We had an
17 extremely dense receptor grid. We had about
18 7,500 receptors; and it was 50 meter along
19 the fence line.

20 MS. DORGE: If you -- We have seen the
21 report and the grid, and there were
22 coordinates, but we aren't able to put those
23 on a map. So if you are willing to work
24 with us --

1 MR. MACAK: Certainly. Should I stand?

2 MS. DORGE: Can you tell us what
3 information you used in calculating the
4 emissions? What kind of information,
5 engineering estimates?

6 MR. MACAK: The gas turbine data that
7 we have is actual GE operating data that was
8 provided to us. And then we do our -- At
9 Mostardi Platt, we do our own evaluation
10 where we then get to add a 3 percent
11 operating margin on the mass flow numbers;
12 and we do a little fine tuning of the data.

13 For instance, with particulate
14 emissions, when GE gives you that data, they
15 don't include any condensable emissions that
16 might be present. We add that in as part of
17 our study. That is in the air permit
18 application.

19 MS. DORGE: So the computer runs in the
20 application?

21 MR. MACAK: That's correct, using the
22 GE data that was given to us.

23 MS. DORGE: Is that something -- Would
24 you be willing to share the program with us

1 if we wanted to try and run it at different
2 temperatures?

3 MR. MACAK: The -- We are taking the GE
4 data and calculating the emission rates. We
5 are not generating that data. We are doing
6 some emission calculations off of the GE
7 data, proprietary data that is given to us.
8 I am not sure what more we could provide to
9 you.

10 MS. DORGE: Well, if we take the three
11 turbines, for example, you ran at assuming
12 they operated 55 percent of the time at 100
13 degrees, 35 percent of the time at 49
14 degrees, and 10 percent of the time at minus
15 20, the two end temperatures don't seem to
16 be realistic. And we are wondering if it
17 would be possible to have the software to
18 try to run the different numbers.

19 MR. MACAK: We are not -- I think I am
20 misinterpreting the question. The minus 20
21 degree data is an absolute worst case number
22 for a mass emission rate. So that was data
23 that we had available so we used that.

24 When we did the ton per year

1 calculations, we could have easily just
2 assumed it always operated in winter
3 conditions and came up with a -- maybe a few
4 less -- well, would have less operating
5 hours but would be a worst case evaluation
6 of the data.

7 What we did is try and assume a
8 certain percent of the operating time would
9 be summer days and spring days. And we feel
10 our evaluation is still conservative 'cause
11 it would never run 10 percent of the time on
12 a winter day anyway.

13 MS. DORGE: We can -- Maybe we should
14 go back to these later because we could get
15 bogged down. But I don't believe 100
16 degrees 55 percent of the time is
17 representative. You used different
18 temperatures for the six units, 45 percent
19 at 95 degrees, 44 percent at 59, 6 percent
20 at zero. So they are different. We are
21 asking why they are different. Are they
22 going to be --

23 MR. MACAK: The reason we used
24 different operating conditions was because

1 that was the data that was provided to us
2 that was from General Electric. Like it
3 said, we could have used the winter
4 operating data and just used that number and
5 said that that's the way the plant would be
6 the entire year; but we didn't. We wanted
7 to make it a little more realistic.

8 But there is no one answer or
9 one evaluation 'cause every year it is going
10 to vary. What you have to keep in mind is
11 that the facility is going to have
12 continuous monitoring, and you are still
13 going to be complying with the annual ton
14 per year limitations and the hourly permit
15 limits. So when it is all said and done, it
16 doesn't really matter what is put in here
17 for the percentages because you still have
18 to meet the tons per year limitations.

19 MS. DORGE: Did GE provide you software
20 that you could provide to us?

21 MR. MACAK: No. They provided faxed
22 copies of performance data, which they will
23 never give out their calculations. So we --

24 MS. DORGE: Will you provide the GE

1 data to us?

2 MR. MACAK: Sure. We have that.

3 MS. DORGE: You have a computer
4 program?

5 MR. MACAK: It is just Microsoft Excel.
6 That's our program.

7 MS. DORGE: Would you provide us with
8 that program?

9 MR. MACAK: There is parts of it we
10 cannot provide. That's the ISO correction
11 portions of it that the software we have in
12 there is proprietary. But beyond that, you
13 know, all the other calculations, yes, we
14 can give you that.

15 MS. DORGE: I would like everything
16 that you are willing to provide. Then we
17 can talk about what we are missing. Did you
18 select the temperatures that you were going
19 to run the program at, or did GE?

20 MR. MACAK: The data that was provided
21 is typical data that would be provided by
22 GE. You would get a winter operating day, a
23 -- some temperature around 49 to 59 degrees
24 which is representative of like your annual

1 average temperature, and then also a summer
2 operating condition. And we did that with
3 evaporative cooling or inlet chilling. The
4 emission numbers are the same.

5 MS. DORGE: Did the temperatures come
6 from GE or you?

7 MR. MACAK: The temperatures in the
8 data that we used came from GE.

9 MS. DORGE: Who provided the
10 percentages of times when you were going to
11 run at the different temperatures?

12 MR. MACAK: Mostardi Platt.

13 MS. DORGE: When does the evaporative
14 cooler go on?

15 MR. MACAK: Typically you would only
16 run the evaporative cooler when you are
17 above 65 to 70 degrees. So it could be any
18 time in the summer you may run the
19 evaporative cooler.

20 MS. DORGE: Would you always run it on
21 a hot day?

22 MR. MACAK: You don't have to, but it
23 would make sense to do that if you want to
24 get a few more megawatts out of the unit.

1 MS. DORGE: Okay. Would you always run
2 it on a 95 degree day?

3 MR. MACAK: Ninety-five percent of the
4 time you would.

5 MS. DORGE: Do you have any data,
6 manufacturer's data or other data for
7 emissions during start-up?

8 MR. MACAK: We have seen some -- We do
9 have data. Mostardi Platt also does air
10 quality testing. We have measured start-up
11 emissions from these types of units. And we
12 have also seen some emissions monitoring
13 data, for instance, the 7FA data that is
14 here running at the emission level we have.
15 The Elwood gas turbines are meeting those
16 levels, and we have seen start-up data from
17 them.

18 But I am -- I am not able to
19 give out their emissions data or data we
20 have collected for other clients. But we
21 know that the numbers that we put in this
22 application, especially for carbon monoxide,
23 are pretty conservative.

24 MS. DORGE: Do you have any information

1 that you can give us that will substantiate
2 those numbers? I am talking not just carbon
3 monoxide but NOX, VOM, everything.

4 MR. MACAK: The data that we do have I
5 would have to get released. I can't just
6 give out someone else's data, but we can
7 look into that for you. I believe Illinois
8 EPA does have some data from Elwood though
9 for start-up cycle. I think I saw a curve
10 for that. That might also be something we
11 can look at.

12 MS. DORGE: Would you describe the
13 number you have created for start-up as an
14 engineering estimate as opposed to
15 (unintelligible) data?

16 MR. MACAK: What we were asked to do --
17 and I think there is a letter back in June
18 that we submitted to the Illinois EPA
19 regarding start-up emissions. This
20 basically takes that one step further where
21 we calculated some tons per year 'cause the
22 June letter that we sent didn't really
23 calculate tons per year.

24 So what we assumed is that we

1 were operating at a 49 degree day for the
2 7FA units, which are the larger ones, and a
3 59 degree day for the 7EAs, which is also a
4 colder temperature than you would normally
5 run. So using that as an annual average
6 temperature, you would be conservative in
7 that evaluation.

8 Then we took the NOX number that
9 we applied at 50 percent margin onto the 50
10 percent load case for that mass emission
11 rate for the -- for both units. And for
12 carbon monoxide, we -- the number was
13 significantly higher than that. I think it
14 is -- I can get you the exact PPM number.

15 Our June 5, 2000, letter that we
16 sent to Manish, what we used was a carbon
17 monoxide emission rate of 200 parts per
18 million during a start-up average through
19 the start-up period and a VOC emission
20 number of 10 parts per million. This is --
21 Those levels we know on the average, you
22 know, there is a few spikes during the
23 start-up where carbon monoxide will climb
24 above 200 parts per million. That only

1 lasts for a few minutes.

2 Over the course of the 20 -- I
3 mean the 20 minute start-up period, the
4 emissions then drop because the units
5 start-up so quickly the carbon monoxide
6 numbers drop rapidly. That's all included
7 in our evaluation.

8 So we used a number for the 7FA
9 of 484 pounds an hour of carbon monoxide
10 during the 20 minute start-up period. The
11 remainder of the time once you hit full
12 load, it was down to 83 pounds per hour. So
13 we did come up with some estimates then as
14 to the average emission rate for the first
15 hour then during a start-up.

16 Then in this spreadsheet what we
17 did is we then assumed so many -- 12 hours
18 per day of operation and did some ton per
19 year calculations, which show that at 1,600
20 hours per year per gas turbine for the
21 bigger ones we comply with the -- we stay
22 below the tonnage numbers that would trigger
23 a major source for construction purposes
24 and 1,300 hours for the smaller units; but

1 there are six of those.

2 But we did do this evaluation.

3 And I want to remind you also that the
4 facility will have monitoring that's also
5 going to demonstrate this continuously that,
6 you know, are meeting these types of levels.

7 MS. DORGE: In your computations, you
8 didn't include hours of operation in your
9 application. That was something
10 (unintelligible). In your computations, you
11 had 8,700 hours per year for the six units
12 combined and 5,400 hours with the six units
13 combined. Is that still correct?

14 MR. MACAK: I might have that. 8,700
15 hours for the six unit arrangement?

16 MS. DORGE: Yes. It is in your
17 computer records where you calculate totals
18 a year.

19 MR. MACAK: And 5,400 hours per year
20 for the three larger units total. The
21 reason we asked to not count hours is
22 because we wanted to base the permit on fuel
23 consumption because we don't know if this --
24 precisely for the reason you are pointing

1 out, the breakdown we had, we made certain
2 assumptions, so much time in the winter, so
3 much time in the summer. And when it all
4 comes down to it, what's more important is
5 measuring the total fuel consumption rather
6 than the operating hours.

7 MS. DORGE: But those are basically
8 like what you use for computing tons per
9 year? Convert it to hours somehow; is that
10 correct?

11 MR. MACAK: That's correct.

12 MS. DORGE: It sounds like you are
13 talking about starting up once a day. I am
14 assuming one start-up per day?

15 MR. NOTCH: That's the expectation,
16 yes.

17 MS. DORGE: So it could be a 12-hour
18 day or something shorter than that?

19 MR. NOTCH: Yes.

20 MS. DORGE: Do you have any --

21 MR. MACAK: Based on this analysis, we
22 are assuming 133 start-ups for the larger
23 units and 108 start-ups for the smaller
24 units if that was the option during the

1 course of a year. Now, if it happened to
2 run shorter periods and have more start-ups,
3 that would impact it because the start-up
4 emissions for the first 20 minutes are a
5 little higher. That may impact the total
6 hours in the year, but that's all covered by
7 the monitoring system.

8 MS. DORGE: Do you have any data for --
9 have you quantified hazardous air
10 pollutants?

11 MR. MACAK: Yes, we have.

12 MS. DORGE: Is that in the record? We
13 haven't seen it.

14 MR. MACAK: I could provide you with
15 another copy.

16 MR. SELTZER: Two sheets of prepared --

17 MR. MACAK: I incorrectly labeled them
18 both Attachment 1. I didn't mean to do
19 that.

20 MR. SELTZER: You just handed two
21 sheets of paper to the front table here, and
22 previously you handed another piece of paper
23 to the front table. The first one is North
24 Shore Power Annual Emissions Estimate

1 Including Start-ups. I am going to mark
2 that as Applicant's Exhibit No. 1.

3

4 (The document referred to was
5 marked as Applicant's Exhibit
6 No. 1 for identification.)

7

8 MR. SELTZER: The two sheets of paper
9 that you just offered up to the front table,
10 one is North Shore Power Six 7EA Option
11 Hazardous Air Pollutant Emissions
12 Combustion Turbine-Natural Gas Firing Only.
13 The second one is labeled the same; am I
14 correct? Are these different, or are they
15 just two copies of the same thing?

16 MR. MACAK: The second one is -- said
17 Attachment 1 also; but the title is Three
18 7FAs, and the other is Six 7EA. So I -- In
19 my rush to print it, I didn't change the
20 heading.

21 MS. DORGE: Were you rushing to print
22 it today?

23 MR. SELTZER: Just a minute. The one
24 entitled Six 7EA will be marked as

1 Applicant's Exhibit No. 2, and the one that
2 says Three 7FA will be marked Applicant's
3 Exhibit 3, and all three exhibits will be
4 accepted into the record. Let's just take a
5 minute so they don't get out of order and
6 let the court reporter mark them, and then
7 we will go on.

8
9 (The documents referred to
10 were marked as Applicant
11 Exhibit Nos. 2-3 for
12 identification.)

13

14 MR. SELTZER: Okay.

15 MS. DORGE: Has this information been
16 submitted before today?

17 MR. MACAK: Yes. There was an E-mail
18 version that had been submitted, but the
19 reason I reprinted this today 'cause the
20 results are --

21 MR. SELTZER: Let me interrupt. Be
22 specific as to what you are referring to.

23 MS. DORGE: I am asking for the
24 hazardous air pollutant, Exhibits 2 and 3.

1 Were they -- Was that information -- When
2 was it provided?

3 MR. MACAK: There was data E-mailed
4 earlier this year that stated that they were
5 insignificant hazardous air pollutant
6 emissions. The reason that we recreated
7 this one for today was that in April of this
8 year USEPA adjusted some of the emission
9 factors. So to be complete, we just refined
10 the analysis to use the most recent data.
11 It still also shows very low hazardous air
12 pollutant emissions.

13 MS. DORGE: Are these calculations
14 based on anything other than AP-42?

15 MR. MACAK: Yes. The AP-42 emission
16 factors -- the emission factor for
17 formaldehyde emissions is based on natural
18 tests of a 15 PPM dry low-NOX emission level
19 for a similar size gas turbine. When you
20 look at the AP-42 data for formaldehyde
21 results that they use, those are all based
22 on some small, less than five megawatt gas
23 turbines in California that really didn't
24 apply to this size unit. And, furthermore,

1 it wouldn't apply to a gas-fired unit
2 operating at 15 PPM. So we used actual test
3 data.

4 MS. DORGE: Can you tell us what the
5 specifications were for the unit? Do you
6 have a model number, GE?

7 MR. MACAK: Yes. It was a -- I don't
8 have the exact model number. I know it was
9 about 120 megawatt, 15 PPM, dry low-NOX
10 combustor unit; but the exact model number I
11 don't know. I wasn't involved in the --
12 conducting the test.

13 MS. DORGE: Do you have that test data,
14 and can we have it?

15 MR. MACAK: Once again, that was
16 performed for the client. And I can -- We
17 can ask them if we can provide the test data
18 to you, but that's the best I can do. We
19 just can't -- Something that someone pays
20 for -- If we give it to the Illinois EPA,
21 that's a different situation. We can do it
22 under confidentiality. I am not sure we can
23 give it out to the public. But I am -- If
24 they allow us to, we will.

1 MS. DORGE: Okay. Are any GE units
2 similar to the units in your application in
3 operation in Illinois?

4 MR. MACAK: Yes. The Elwood facility
5 has the larger 7FA units. The 7EA units I
6 really -- I don't remember if there are any
7 in Illinois. I know there are in -- they
8 are under construction in Illinois. But,
9 you know, there is data available for
10 typical units.

11 MS. DORGE: Is the Elwood facility
12 major?

13 MR. MACAK: Yes, it is. It is a major
14 source, PSD permit plant.

15 MS. DORGE: Can your units operate on
16 diesel?

17 MR. MACAK: The answer is yes, they
18 can; but no, they won't because we are not
19 putting in any oil-fired capability here;
20 nor will there be storage tanks.

21 MS. DORGE: Can you describe the
22 circumstances when you operate at less than
23 full load?

24 MR. MACAK: Typically the heat rate of

1 the unit is best at full load. I would
2 think that -- John, maybe you should answer
3 it. Usually they buy power in blocks so if
4 like 50 megawatts. So there could be times
5 where they want, you know, to match up to
6 that 50 megawatt number. You might run it
7 at a part load. Otherwise, you would rather
8 just run at full load because that's the
9 best heat rate you have.

10 The plants are really designed
11 to run best at full load. If you look at
12 the performance data in the application, you
13 will see the heat rate is best at full load
14 versus the part load operation.

15 MS. DORGE: The percent loads that you
16 put in the application are figures that you
17 put in as opposed to GE?

18 MR. MACAK: The percent loads that we
19 used, put in the application I think was 80
20 percent and higher for the 7EAs and 60
21 percent higher for the 7FAs which were the
22 bigger units. Those are percentages that
23 were in the data from GE.

24 There is operating data

1 available if you go lower. But we would
2 never want to run that low because it is not
3 economical to run at a, you know, 30 percent
4 load.

5 MS. DORGE: Do you know who at GE
6 prepared the performance data that you are
7 relying on? I mean, is this coming from an
8 administrative office, a sales office,
9 engineering office?

10 MR. MACAK: All requests for engine
11 data from GE go through a field office. But
12 the actual performance runs are done by I
13 guess a gas turbine engineering group.
14 That's something they do day in, day out all
15 the time. The numbers are refined to, you
16 know, recent performance data that's -- you
17 know, there is actual operating data for
18 these units that shows these are the
19 numbers.

20 MS. DORGE: Who do you call when you
21 want one of these faxes from GE? You call
22 the turbine performance group?

23 MR. MACAK: You have to go through the
24 local field sales rep I guess.

1 MR. NOTCH: Yeah.

2 MR. MACAK: But, you know, a general
3 person in the general public will never get
4 the data without showing that they have the
5 resources to buy the units 'cause they are
6 not going to waste their time generating it
7 unless there is an actual application that
8 they are bidding into for the equipment.

9 MS. DORGE: Are you buying these units,
10 or are you leasing them?

11 MR. NOTCH: They ultimately will be
12 purchased, yes.

13 MS. DORGE: Are they under contract?

14 MR. NOTCH: Not right now, no.

15 MS. DORGE: So you don't have any
16 guarantees or warranties or anything like
17 that?

18 MR. NOTCH: The way this project is
19 going forward is that this project has been
20 initiated by Carlton, Inc. And I am in
21 discussion with a number of institutional
22 type partners who are -- I am talking to
23 about coming in on this project.

24 And all of those entities have

1 these units under order and have, in fact,
2 like I say, they are on the slot with GE.
3 They do have access to the manufacturer's
4 guarantees and warranties. So we are
5 working with actual data from actual
6 machines.

7 MS. DORGE: Is there, you know, a
8 warranty that we can look at? Can we look
9 at it and see what kind of limitations come
10 with it?

11 MR. NOTCH: That's not available right
12 now.

13 MS. DORGE: Not yet?

14 MR. NOTCH: No.

15 MS. DORGE: You said you are -- you
16 will be buying these units, not leasing
17 them?

18 MR. NOTCH: That's right. I presume
19 so.

20 MS. DORGE: Does GE finance the
21 purchase?

22 MR. NOTCH: They certainly do. They
23 will be happy to lend you money. Usually in
24 my experience that wouldn't be the first

1 place you would go.

2 A lot of the -- A lot of the
3 aspects of the I'll say the final financing
4 arrangement certainly are not in place yet
5 pending the, you know, getting in place some
6 of these permits as well as putting in place
7 some of the other arrangements with the --
8 Carlton will have with that final entity.

9 MS. DORGE: Can you explain what's
10 meant by 80 percent nominal control? I know
11 we have low-NOX. But what constitutes 80
12 percent control?

13 MR. MACAK: We have 80 percent load.
14 We are not talking control. I am not sure
15 what --

16 MS. DORGE: Eighty percent nominal
17 control?

18 MR. MACAK: Oh, you mean for the
19 low-NOX burners. Okay. If you took the way
20 the dry low-NOX combustors are, they are
21 staged combustion. They have a pilot flame,
22 and then there is two stages to the
23 combustion.

24 Well, the pilot flame, if you

1 looked at the old gas turbines, they used to
2 use water injection. Those operated
3 anywhere from 120 to 220 parts per million
4 NOX if you didn't try and do this special
5 dry low-NOX combustion.

6 So by doing the dry low-NOX
7 combustor with the special combustion
8 technique that GE has the patent on, you are
9 controlling the uncontrolled number, which
10 would have been in excess of 100 parts per
11 million down to the 15 number that we have
12 in our application.

13 MS. DORGE: So is it -- the dry low-NOX
14 burners is something that you turn on and
15 off. And if it is on, you get 80 percent
16 fewer missions?

17 MR. MACAK: You can. There are
18 adjustments on a dry low-NOX combustion
19 system where it is something that they track
20 when you are in a control room. You can see
21 something called a pilot flame. It is a low
22 number. Like say less than 10 percent would
23 be off this pilot flame, which is basically
24 stabilizing the combustion.

1 And then the remaining
2 percentages are divided up into further
3 stages where it is called premixed
4 combustion where the fuel and air are mixed
5 together. So the -- If they increase the
6 pilot firing amount, they could raise the
7 NOX number in the engine. So it is
8 something that is controlled and designed in
9 the computer program that they will monitor
10 the pilot flame at different operating loads
11 to make sure their NOX is in compliance.

12 MS. DORGE: Does it operate during
13 start-up?

14 MR. MACAK: During start-up it is
15 primarily, the initial is primarily all
16 pilot flame. And then it is quickly -- then
17 once you are synchronized to the grid, then
18 they can start phasing in the dry low-NOX
19 combustion system.

20 MS. DORGE: Can you explain how the
21 pilot, the dry low-NOX pilot is monitored?
22 You identified that as part of your
23 monitoring program.

24 MR. MACAK: Yes. The pilot flame,

1 there is a fuel flow directly to the pilot.
2 The gas turbines have -- on these they
3 can -- I think the 7FAs have 16 combustors.
4 So it is not just one burner. There is
5 actually a ring of 16. All of them have --
6 It is basically 16 individual combustors.

7 Well, the fuel that is for the
8 pilot portion of the combustors is something
9 that is metered and is part of the essential
10 control system, the unit. If they lost that
11 signal, the unit would trip off-line; and
12 the fuel would shut down, and the unit would
13 just basically go to zero megawatts
14 immediately, and all fuel would be shut off.

15 MS. DORGE: Can the pilot go out?

16 MR. MACAK: No. Well, it shouldn't.

17 MS. DORGE: Is that monitored?

18 MR. MACAK: Yes, it is monitored; and
19 there are flame sensors in the gas turbines.
20 That way we could detect if there was some
21 type of combustor instability. And, you
22 know, the units, they are -- I mean they are
23 heavily monitored, just not only the
24 emissions but the operating performance of

1 the units.

2 And General Electric, in
3 particular, their control center in Atlanta
4 monitors all these 7FAs. Especially every
5 single one they monitor the performance of
6 it for warranty issues because they
7 guarantee a certain performance. And they
8 need to know that the owner of the facility
9 is actually operating it correctly.

10 So they do have this whole like
11 NASA looking control center in Atlanta where
12 you can walk in and call up any gas turbine,
13 any of the new ones like this would be; and
14 it is on-line there as well.

15 MS. DORGE: That ties into how much is
16 left to the operator. And does the
17 operator, local operator turn the thing on
18 and off? How much is left to their
19 discretion, and how will they be trained?

20 MR. MACAK: Well, GE does the training
21 as part of this. I mean, there is a real
22 intensive training program. But these types
23 of plants basically are driven by the
24 computer in the plant with all the necessary

1 backup systems.

2 Operators are there kind of
3 to -- There are some ways I guess you can
4 manually, you know, tell it to change load.
5 You would go in and put new set points. You
6 need operators to do that.

7 You also have operators to
8 evaluate if there is some type of problem
9 with maybe a temperature monitor, you know,
10 goes bad; and there's a redundant system.
11 They could go and pull the temperature probe
12 and put a new one in.

13 So they do some maintenance work
14 too. But -- So there are facilities like
15 this that are designed to start remotely
16 without a person even there.

17 MS. DORGE: Um, have you -- just a
18 couple more questions. Have you accepted
19 the proposed permit conditions, or are there
20 any that you are asking to be changed?

21 MR. MACAK: Today's version, the
22 version I picked up by -- I am assuming this
23 is the same that I saw is like a rough
24 draft. I haven't checked to see if a few

1 minor comments we made are in there. I
2 think there was one fuel flow number that
3 didn't seem right that I think had to do
4 with one unit versus all the units. But
5 that's something I plan to double-check on.

6 MS. DORGE: That's an important one
7 that we would like to know what the
8 resolution of that is.

9 MR. NOTCH: This is my version.

10 MR. SELTZER: Go off the record if you
11 two want to carry on a conversation.

12 MS. DORGE: If you submitted comments
13 or plan to submit comments -- you have
14 already identified things that you want
15 changed -- would you provide us with those
16 comments, anything you have already --

17 MR. NOTCH: Sure.

18 MS. DORGE: -- identified? Last
19 question, would you -- you have got a
20 proposal to put in a facility in Waukegan.
21 Would you go forward with this one if you
22 get your approval to construct the facility
23 in Waukegan?

24 MR. NOTCH: That's not germane to the

1 purpose of the hearing tonight. So I am not
2 going to answer that question now.

3 MR. SELTZER: Before you sit down, I
4 have a quick question or two. The first
5 question is with regard to start-up which
6 you talked about during your responses to
7 the questions, just for my information, at
8 the point of start-up and during and through
9 start-up are you at that point selling
10 energy to your customer?

11 MR. MACAK: Once you are synchronized
12 to the grid, you are selling energy. So
13 they are -- In that 20-minute start-up
14 period, there is a point where you are
15 already generating electricity that is going
16 out into the grid.

17 MR. SELTZER: Okay. Thank you.

18 MR. MACAK: The exact time I don't
19 remember. It is five minutes in or
20 something.

21 MR. SELTZER: Five minutes that you
22 are --

23 MR. MACAK: And then --

24 MR. SELTZER: Five minutes that you are

1 selling out of the twenty, or five minutes
2 that you are not selling out of the twenty?

3 MR. MACAK: I think each unit has its
4 own start-up curve for the time where they
5 synchronize. So, you know, it is better
6 that we just provide that to you rather than
7 me speculate. But then it does ramp up into
8 several megawatts per minute to get to the
9 base-load basically. So typical ramp rate
10 might be, you know, three or four megawatts
11 a minute.

12 MR. SELTZER: Prior to synchronization,
13 is there energy from that unit starting up
14 going to the HVTL?

15 MR. MACAK: Prior to synchronization,
16 no.

17 MR. SELTZER: Yes. So if two -- if two
18 engines are running and a third is starting
19 up, until it is in synchronization, there is
20 nothing going to the HVTL from the engine
21 starting up?

22 MR. MACAK: Until they are synchronized
23 nothing is going in, correct. In fact, you
24 are pulling a lot of power when you first

1 start-up.

2 MR. SELTZER: Thank you.

3 MR. ROMAINE: HVTL?

4 MR. SELTZER: HVTL is high voltage
5 transmission line. I am sorry. One
6 question for Ms. Dorge, you have started off
7 by indicating that you could or could not
8 find the information supplied by the Agency
9 at the library?

10 MS. DORGE: Yesterday I went to again
11 check to see if it was there and to compare
12 what I had to what was there. They told me
13 it wasn't several times. I insisted that I
14 had heard that it was. After insisting a
15 number of times, they kept looking; and they
16 did find it behind the reference desk.

17 MR. SELTZER: Okay. Thank you. Susan
18 Zingle?

19 MS. ZINGLE: My name is Susan Zingle,
20 Z I N G L E. I just wanted to notice that
21 -- clear up some details from yesterday,
22 some of the same comments. It was very
23 generous of you to extend the comment
24 period.

1 Governor Ryan has, in fact,
2 asked the Illinois Pollution Control Board
3 to hold hearings; and I expect at the
4 conclusion of those hearings there will be
5 some different regulations covering peaker
6 electrical generating plants. I would like
7 to ask the Agency to delay issuing permits
8 until those new rules are in place so that
9 they can be incorporated in the permits that
10 are coming out now.

11 Yesterday I mentioned that there
12 were several elected officials that had sent
13 letters to the IEPA concerning this issue.
14 I do have them with me this evening from
15 Senator Peterson, Representative Susan
16 Garrett, Senator Terry Link, Representative
17 Osmond. I would like to read the letter
18 from Senator Link. It is brief.

19 "As you know, peaker electrical
20 generating plants have been the topic of
21 much controversy in Lake County. During the
22 course of the summer --

23 MR. SELTZER: Read a little slower.

24 MS. ZINGLE: "During the course of the

1 summer, I sponsored legislation to enact a
2 six-month moratorium on all construction air
3 permits to allow discussion and resolution
4 of the air quality, water supply, and siting
5 issues surrounding these plants.

6 Unfortunately, we were unable to complete
7 that effort; but the issues remain.

8 These two plants are unique in
9 their proximity to each other and in their
10 potential effect on neighboring communities.
11 The nearest residences to both plants are
12 located within the Village of Wadsworth
13 while the zoning and permitting decisions
14 are solely in the hands of the City of Zion.
15 Noise, water supply, and air quality
16 concerns obviously go far beyond the host
17 municipality; and that is why we look to the
18 IEPA to set and enforce appropriate
19 standards.

20 In response to the public
21 concerns, Governor Ryan has called on the
22 Illinois Pollution Control Board to hold
23 public hearings regarding these plants and
24 issue recommendations on the necessary

1 environmental controls. Issuing permits
2 before that process is complete is
3 inappropriate. I ask that the IEPA delay or
4 deny air construction permits for these
5 plants."

6 It is from Senator Terry Link.
7 It is addressed to Director Skinner. I will
8 give you copies of them all.

9 MR. SELTZER: Those are all of the
10 letters?

11 MS. ZINGLE: That I discussed, yes.

12 MR. SELTZER: How many pages are there?

13 MS. ZINGLE: I believe there is four.

14 MR. SELTZER: Four pages. Let's mark
15 that as Public Exhibit No. 1 consisting of
16 Pages 1 through 4.

17 MS. ZINGLE: That should be entered
18 into yesterday's record as well.

19 MR. SELTZER: Yes, it will be done.

20

21 (The document referred to was
22 marked as Public Exhibit No. 1
23 for identification.)

24

1 MS. ZINGLE: I would also like to point
2 out this evening is the night of the
3 regularly scheduled Village of Wadsworth
4 board meetings, the City of Zion board
5 meetings, the Winthrop Harbor board
6 meetings. So there are quite a few elected
7 officials who would have been interested in
8 these proceedings who cannot attend.

9 Yesterday there were
10 representatives from the Village of
11 Wadsworth who presented a resolution
12 opposing the siting of these plants from
13 Newport Township, from the Village of
14 Winthrop Harbor, and from Benton Township.
15 Loretta McCarley from the County Board
16 yesterday also presented a resolution. I
17 believe you questioned her on the format of
18 it. It was a resolution from the County
19 Board asking the state for a moratorium on
20 all these plants until appropriate siting
21 regulations could be in place. I would like
22 that on the record this evening as well.

23 MR. SELTZER: So done.

24 MS. ZINGLE: I wanted to thank you for

1 taking the time with noise and water. We
2 have had difficulty, again, as we discussed
3 yesterday obtaining the information we need
4 to analyze these permits.

5 The incomplete FOIAs, as
6 mentioned yesterday, I had asked for
7 operating -- permitter's notes, operating
8 notes, internal memoranda, correspondence
9 between the IEPA and the Applicant. And,
10 obviously, tonight we are still redoing the
11 application even as we have the hearing.

12 We started out with ABB turbines
13 and GE turbines; and we are now at two
14 different sets of GE turbines, three stacks,
15 six stacks. Who knows? I object to the
16 idea of the turbine de jour. And can we
17 please pick one set of turbines for one
18 application?

19 I suggest to you the application
20 is not complete and that the 180 days starts
21 ticking today. You have no need to go back
22 and issue a permit now.

23 I do have some questions for
24 Carlton. Who owns Carlton?

1 MR. NOTCH: I do personally.

2 MR. SELTZER: Can we have both of you
3 up at the microphone?

4 MS. ZINGLE: How many employees does
5 Carlton Power have?

6 MR. NOTCH: I think as we -- As we
7 started today, it was very clear that this
8 hearing is meant to be focusing on issues
9 regarding the air permit. I view these
10 questions as being inappropriate and not
11 germane to the issue at hand.

12 MS. ZINGLE: I would say it goes to the
13 financial viability of the company and the
14 ability to live up to the permit.

15 MR. NOTCH: If Susan would like to make
16 comments, that's one thing. I am not going
17 to answer these questions if they are not
18 germane.

19 MR. SELTZER: Okay. The record will
20 speak for itself.

21 MS. ZINGLE: Okay. How many employees
22 does Carlton have? What were your sales and
23 revenues this year? How many plants does
24 Carlton already have up and running? Where

1 are they located? What are their names?

2 Who will actually be responsible for the
3 day-to-day operation of the plant?

4 I think our safety and the
5 efficiency of the plant has a lot to do with
6 who actually operates it. I believe that
7 the application includes lines for who do
8 you call. And it indicates the turbine
9 specialist. Well, who is the turbine
10 specialist?

11 Is the application, in fact,
12 complete? No, it is not. Are these plants
13 expensive to build? How much will you be
14 investing, and how much are outside
15 companies investing? How will you recoup
16 your investment just running three months of
17 the year? In an article in the newspaper
18 recently, the Mayor of Zion was quoted as
19 saying that Carlton was sold to Kinder
20 Morgan. Is, in fact, that true?

21 MR. SELTZER: No response.

22 MS. ZINGLE: If a plant changes
23 ownership, how are the permits transferred?
24 Is there any review of the new company's

1 track record? If the new company has a
2 history of violations, would the IEPA deny
3 the transfer of the permit? Would the IEPA
4 impose additional monitoring?

5 If Carlton Power sells to SkyGen
6 and now you would have two plants at the
7 same zip code adjacent under common control,
8 would this plant become PSD? Since the
9 plant does not yet have its zoning, it is
10 not annexed and -- oh, I am sorry. I am
11 just doing my monologue here.

12 MR. ROMAINE: Unfortunately, permit
13 transfer, when a permit has been issued, the
14 transfer of a permit is handled as an
15 administrative matter. The current permit
16 holder has to relinquish the permit because
17 that is a permit to do something.

18 The new owner has to accept that
19 permit and agree to be bound by its
20 conditions. It is not an opportunity, has
21 not been treated as an opportunity to
22 conduct further technical review of the
23 particular application.

24 The further point you mentioned,

1 if this facility changed ownership before
2 commencement of construction and was
3 purchased by SkyGen, I think that could
4 potentially change the status of the
5 facility. Then it would be part of the
6 SkyGen project; and it could, in fact, be
7 considered major. It would again depend on
8 the circumstances. That could be a
9 significant change.

10 If, on the other hand, the
11 facility were built and operating and at
12 that point SkyGen purchased it, that would
13 not change the nature of the facility. It
14 would have been simply an ownership change
15 for an existing facility that had already
16 been built.

17 MS. ZINGLE: Thank you. I believe
18 yesterday we did discuss the phenomenon of
19 limited liability companies and did the IEPA
20 take responsibility for looking at the
21 ownership or the directors or the membership
22 of the board. This is why we raised that
23 issue.

24 In fact, the companies are

1 buying and selling each other left and
2 right. And it could, in fact, go to PSD and
3 control issues if, in fact, you don't know
4 who is actually controlling the company they
5 have permitted. I think those are questions
6 you have to ask as part of the permitting
7 process.

8 MR. ROMAINE: Thank you.

9 MS. ZINGLE: Who will buy the
10 electricity you produce? This is so much
11 fun.

12 MR. SELTZER: No response.

13 MS. ZINGLE: No response. Will you be
14 selling directly to retail customers?

15 MR. NOTCH: (Nodded head).

16 MS. ZINGLE: No. Have you --

17 MR. SELTZER: Wait a minute. Was that
18 a no response, or was your answer no?

19 MR. NOTCH: Some of these are fair game
20 questions, I will admit. This project is
21 meant to be a wholesale electric generator.
22 It will be selling electricity on the
23 wholesale market.

24 MS. ZINGLE: Okay.

1 MR. NOTCH: We do --

2 MS. ZINGLE: Are you selling by
3 contract, or will you sell on the spot
4 market?

5 MR. NOTCH: Again, some of this really
6 is premature. We do not have any power
7 purchase agreements in place. It is too
8 early to do that. I would tell you my
9 expectations are as most of the projects in
10 the area are, they typically all have a
11 power purchase agreement with some off acre,
12 whether it be a power marketer or
13 Commonwealth Edison would be examples.

14 MS. ZINGLE: Who directs when the plant
15 will be turned on?

16 MR. NOTCH: Generally speaking it would
17 be the holder of the power purchase
18 agreement. They would have control of when
19 the plant would run or not run.

20 MS. ZINGLE: Ms. Dorge addressed the
21 issued of the plants in Waukegan. So I will
22 not do that. Again, the Mayor of Zion was
23 quoted in the newspaper as saying that
24 Carlton will sell ancillary products like

1 steam and heat to other companies that will
2 attract to their business park. Do you, in
3 fact, have plans to do that?

4 MR. NOTCH: No comment.

5 MS. ZINGLE: It goes to the issue of
6 combined-cycle or cogen. How much natural
7 gas will Carlton use in a year?

8 MR. NOTCH: I don't have that number
9 readily available. We do have, in the
10 permit applications, we do have the heat
11 rate of the unit.

12 MR. MACAK: It is for the three unit
13 configuration.

14 MR. NOTCH: I guess I misspoke. Excuse
15 me.

16 MS. ZINGLE: Sure.

17 MR. NOTCH: For the primary option,
18 which would be the three larger units, the
19 annual gas flow, again assuming we had the
20 hours as per this table, would be 7.86 times
21 ten to the ninth standard cubic feet per
22 year. And there would be the -- we have the
23 companion number too for the six smaller
24 units. For the alternate design with the

1 six smaller units, the average -- the annual
2 field flow was estimated to be 7.16 times
3 ten to the ninth standard cubic feet per
4 year.

5 MS. ZINGLE: I got a --

6 MR. SELTZER: Let me interrupt. Chris,
7 are you --

8 MR. ROMAINE: We are fine.

9 MS. ZINGLE: I need to back up for a
10 second. I got a little ahead of myself.
11 The Grand Prairie project in Bartlett, you
12 are listed on their literature as a
13 development consultant. Can you describe to
14 us your role with that company?

15 MR. SELTZER: Those questions are
16 beyond the scope of this hearing.

17 MS. ZINGLE: Well, it goes to control.
18 Is he an officer of ABB? Is he building a
19 plant in Bartlett and a plant in Zion and a
20 plant in Waukegan, and at what point do all
21 those plants together become PSD?

22 MR. SELTZER: You raise an issue.
23 Those questions are not asked in our permit
24 application.

1 MS. ZINGLE: Maybe they should be. I
2 will go on. This again came from the
3 newspaper. I heard that your plant was
4 going to burn the methane gas from the
5 landfill and not natural gas; is that true?

6 MR. NOTCH: I have no idea.

7 MS. ZINGLE: Thank you. The price of
8 natural gas has doubled since last year.
9 How does this affect your ability to get
10 financing? What proportion of your total
11 operating expenses does natural gas
12 represent?

13 MR. NOTCH: That's beyond the scope of
14 this meeting.

15 MS. ZINGLE: Okay. Does the City of
16 Zion include limits on how much this plant
17 can run either on hours per day or a morning
18 start time or evening start time or limits
19 on weekends?

20 MR. NOTCH: Again, that's beyond the
21 scope of the meeting.

22 MS. ZINGLE: Will your turbines be able
23 to run all day year-round?

24 MR. NOTCH: Certainly not. It will be

1 subject to the permit.

2 MS. ZINGLE: You have got six turbines;
3 and they can each run for 1,600 hours. So
4 if you run one at a time, you could run them
5 virtually year-round?

6 MR. NOTCH: I will comment. I think
7 there was something along the same line
8 questions were made last night. I would
9 just say that typically -- I mean economics
10 strongly dictate that these projects are to
11 be run when there is really the demand for
12 this next level of the peak generators
13 coming on board. It certainly is our
14 expectations and economics would typically
15 dictate that more than likely these projects
16 all turbines will run at once.

17 MS. ZINGLE: Okay. The Amerant plant
18 outside of St. Louis had an oil leak and a
19 fire on Thursday. There's pictures of it on
20 the table outside. People in nearby homes
21 had to be evacuated, and they were much
22 farther away than the people here.

23 You obviously aren't burning any
24 oil, but natural gas can still be a danger.

1 That plant also had hydrogen tanks on the
2 premises. Will your plant use hydrogen;
3 and, if so, in what manner?

4 MR. NOTCH: I am not going to address
5 the hydrogen issue. I am unaware if we have
6 that or not. I would say, however, that I
7 have done some checking today on that
8 particular plant of Union Electric down in
9 Southern Illinois.

10 And even though it was described
11 in the newspaper articles as a peaking
12 plant, it's -- what it is, if anyone were to
13 really check into it, it is an old
14 coal-fired generating station that was built
15 in 1942 and was -- in essence, most of the
16 generation from that facility was old
17 coal-fired boilers that had been changed
18 over to run on fuel oil and natural gas.
19 From what I have learned, the fire occurred
20 because of some of the fuel oil in the steam
21 boilers basically leaked and ignited; and
22 that basically led to the incident.

23 I think the conclusion to be
24 drawn here is not that peaking power plants

1 are by their nature dangerous. What it
2 indicates is that this is the kind of thing
3 that happens when a utility or an area is
4 relying on old outdated facilities to
5 generate their electricity that should have
6 long since been retired.

7 MS. ZINGLE: Good. Thank you.
8 Actually, I think these next questions are
9 for the IEPA. Are we in attainment in this
10 area for ozone?

11 MR. ROMAINE: No, we are not.

12 MS. ZINGLE: Are we actually in severe
13 non-attainment? We are not just in
14 non-attainment. We are in severe
15 non-attainment.

16 MR. ROMAINE: Legally speaking, yes. I
17 think the implication being made is, in
18 fact, that we are currently in severe ozone
19 non-attainment. That is a designation that
20 was established in 1990 based on historical
21 air qualities in that level.

22 There have been significant
23 improvements in air quality at that time.
24 We are still designated a non-attainment

1 area. And it is certainly one of the ones
2 that gets a lot of attention because of its
3 historic classification, and it is legally
4 considered a severe ozone non-attainment
5 area.

6 MS. ZINGLE: If we didn't have that
7 wonderful device called the NOX Waiver,
8 wouldn't this plant automatically be
9 categorized as a major polluter and have to
10 do PSD permitting?

11 MR. ROMAINE: I think the question you
12 wanted to ask was would it be required to do
13 non-attainment new source permitting?

14 MS. ZINGLE: Yes.

15 MR. ROMAINE: The answer is correct.

16 MS. ZINGLE: Can we object to this
17 permit if it is issued with the USEPA?

18 MR. ROMAINE: No, you cannot. This
19 does not have the further administrative
20 procedures that are associated with being a
21 PSD permit. The ability to object to it
22 would not be present either if it was a
23 non-attainment new source permit.

24 MS. ZINGLE: How many of these plants

1 are being permitted throughout Illinois?

2 MR. ROMAINE: I have a summary table
3 with me. I think it is roughly 40 plants
4 are in some stage of application,
5 development, or operation.

6 MS. ZINGLE: How many have already been
7 permitted?

8 MR. ROMAINE: I think -- Can I give
9 you -- I'll announce that after the break
10 after I have a chance to count it up.

11 MS. ZINGLE: Sure. Thank you.

12 MR. SELTZER: What break?

13 MS. ZINGLE: What constitutes an
14 administratively complete permit, and then
15 what is a technically complete permit, and
16 when would this permit deemed to be
17 complete?

18 MR. ROMAINE: Okay. You are asking
19 questions about whether the application was
20 considered complete. This application
21 became complete 30 days after it was filed.

22 MS. ZINGLE: Is that -- That sounds
23 like an administrative fiat. Was it
24 actually complete, or were you still

1 receiving new data like changes of turbines
2 and information that was provided to you
3 this evening?

4 MR. ROMAINE: We were still receiving
5 new data. That's correct.

6 MS. ZINGLE: That's really all I have.
7 Thank you.

8 MR. SELTZER: Thank you. I guess that
9 was a hint. So we will take a five-minute
10 break.

11
12 (After a short recess, the
13 proceedings resumed as
14 follows:)

15
16 MR. SELTZER: Next is Rosario Fico.

17 MR. FICO: Yes. I am new at this. So
18 I have a couple of general questions just to
19 make sure I understand the information.

20 F I C O, R O S A R I O.

21 When you do your modeling, do
22 you consider the coal plant in Wisconsin as
23 part of this area?

24 MR. MACAK: We have modeled it with and

1 without the other facilities in the area.
2 So we did do modeling runs that did include
3 Pleasant Prairie in Wisconsin along with
4 Waukegan and SkyGen.

5 MR. FICO: Then, okay. Then when
6 you -- So I've been to a couple meetings,
7 and this area has always been referred to as
8 being next to the sanitary district in the
9 right-of-way. I happen to live on the other
10 side of the right-of-way. It is all farms
11 on that side.

12 I am wondering what your
13 reference point is when you do your
14 modeling. In other words, does it stop at
15 the end of the town line; or does it include
16 the area on the other side of the
17 right-of-way?

18 MR. MACAK: Our modeling went out 25
19 miles in each direction from the plant.

20 MR. FICO: How will the emissions be
21 monitored, and what happens if failure?
22 That's for you guys.

23 MR. ROMAINE: The facility is required
24 to have NOX emissions monitors. If there is

1 a failure of the monitoring system, we rely
2 on substitute data. We can look at the
3 operating data from the facility to assure
4 that the facility is or is not being
5 operated in the same manner as it was when
6 the NOX monitor was in place.

7 MR. FICO: I am sort of familiar with
8 the problems that the nuclear plant had and
9 their ability to continue the run for
10 extended period of time even though they
11 seemed to be having problems. How long will
12 they be able to run when there is a problem,
13 a failure? I mean is it immediate shut
14 down? Is it no shut down? Do they have a
15 six-month review? I don't know these
16 things.

17 MR. ROMAINE: It depends on the nature
18 of the problem. My understanding that most
19 operational problems would, in fact, cause
20 the turbines to be shut down to protect the
21 equipment.

22 If there were some sort of
23 operational problem that did not require the
24 unit to be shut down but did affect

1 emissions, something that might occur and I
2 guess the example -- I go to Joe if you have
3 a better example -- but some deterioration
4 in the burner system where it is time to
5 replace or upgrade it, the plant could
6 continue to operate in violation. We would
7 not shut them down because there is not a
8 threat to public health from that.

9 However, every hour they would
10 operate would subject them to increased risk
11 of increased penalty. It would certainly be
12 in their best interest to shut down and
13 correct the problem as soon as possible.

14 If they did not take corrective
15 action on their own initiative in a timely
16 manner, then certainly we take additional
17 consequences in the enforcement action.
18 Additional punitive penalties would be
19 assessed through the Attorney General's
20 Office to make sure that in the future they
21 did take proper corrective action on their
22 own.

23 MR. FICO: I guess that was a lot of
24 generality because I happen to live there.

1 If they have a problem on Tuesday, I suffer
2 on Wednesday. So I am wondering are you
3 saying that something will occur on Thursday
4 or two weeks later or four weeks later?

5 I am -- You have to understand.
6 I am going to be sitting there looking at
7 this plant. And if anything happens there,
8 I am going to be immediately affected during
9 all of this time that you are reviewing your
10 procedures, etcetera, etcetera, etcetera.
11 So that's why I am asking the timeliness and
12 the ability for you to protect my
13 environment.

14 MR. ROMAINE: I need to back up. You
15 make an assumption that if there were an
16 upset or some sort of condition that would
17 have an effect on you the high emissions
18 levels and the levels of operation from this
19 facility are such that those are well below
20 the levels where there would, in fact, be
21 any effect on you. Under normal operation
22 that would still be the case during the
23 types of upset conditions that I think could
24 occur for this facility.

1 If this were the type of
2 facility where an upset would, in fact, have
3 immediate consequences, then we take
4 immediate action. We do have the authority
5 if there is a direct threat to public health
6 to take injunctive action to shut facilities
7 down. You still --

8 MR. FICO: Yeah.

9 MR. ROMAINE: The point here is that
10 air pollution is limited to levels well
11 below the levels at which there is an
12 immediate threat to public health. The
13 levels, in fact, represent the ability of
14 the equipment to minimize emissions. Our
15 goal is to require the equipment to be
16 operated effectively using that equipment.

17 This permit is, in fact, based
18 on operation of 15 PPM; but that doesn't
19 mean that if these turbines operated at 50
20 PPM there would necessarily be a health
21 problem. It simply means that these
22 turbines can achieve 15 PPM. That's the way
23 they are being permitted. That's the way
24 they should be operated.

1 MR. FICO: I guess the problem I have
2 is when I look in the paper and it says that
3 today is an ozone whatever, danger day or
4 whatever, that probably is nothing that you
5 can do about it except that the people who
6 are bothered by the ozone are immediately
7 affected. So I mean you are basically
8 telling me that you don't believe there is
9 going to be any problem and that I have to
10 accept that.

11 How have you verified the
12 numbers that have been given to you, or are
13 you just relying on their application?

14 MR. ROMAINE: The application process
15 relies on the application submitted by the
16 developer, the owner -- proposed owner and
17 operator of the source. We do not have the
18 expertise to conduct an independent
19 evaluation of that during the review of the
20 construction permit application.

21 What we do instead is require
22 that the emissions of a piece of equipment
23 be tested when it is built and at that point
24 confirm that they have complied with the

1 representations that they have made in their
2 application. If they don't comply with the
3 permit conditions, again, they are subject
4 to enforcement. There would have to be
5 corrected actions taken.

6 Our experience in general
7 suggests that turbines can comply when
8 tested with the emission representations
9 that have been made by the manufacturers.

10 MR. FICO: Is the testing done under
11 extended period of time or --

12 MR. ROMAINE: The testing itself is
13 done on a short time basis for the critical
14 pollutants of concern, such as nitrogen
15 oxides. That's why we have the continuous
16 emission monitor.

17 MR. FICO: I am skeptical at the
18 ability for you to protect the environment I
19 am in with the description given of how you
20 are going to operate. You are not verifying
21 anything until afterward, and you are basing
22 most of your decision making on input from
23 them, and they are going to be controlling
24 the testing I assume. It is not going to be

1 surprise testing. It is not going to be --

2 MR. ROMAINE: Okay.

3 MR. FICO: I mean this is not a --

4 doesn't sound like a -- it sounds like a

5 friendly interaction between you and them

6 rather than a direct questioning.

7 MR. ROMAINE: The specific point on

8 emissions testing, emissions testing is

9 certainly an organized event. It is a

10 matter of getting a testing firm out there.

11 In fact, it is something that we require the

12 Applicant to do at their expense.

13 The other aspect of that testing

14 though is the owner of the equipment is held

15 to the operating conditions that existed

16 during the course of testing. So that it is

17 not to their advantage to manipulate the

18 results or try to come in with a better

19 operating scenario, operate at higher load

20 or something because in the future the

21 facility would be held to those specific

22 operating.

23 In fact, accordingly, it is to

24 their advantage to operate under conditions

1 of potential maximum emissions and
2 demonstrate that under those conditions they
3 can demonstrate compliance. Anything else
4 would result in additional conditions being
5 imposed upon them.

6 The broader question about the
7 amount of resource, level of information we
8 have on different types of facilities,
9 certainly we'd like to have more resource.
10 We'd like to have the ability to have more
11 personnel in monitoring.

12 But the experience, again, has
13 shown that it, for these type of equipment
14 which have extensive operational monitoring,
15 that these sorts of initial tests,
16 continuous emission monitoring, and
17 certainly the ability to request further
18 testing if necessary to verify new
19 developments has been sufficient.

20 MR. SELTZER: Chris, if I can interrupt
21 for a minute? At this hearing nor at last
22 night's hearing did we discuss, I believe,
23 the difference between a construction permit
24 and an operating permit; and that might be

1 helpful.

2 MR. ROMAINE: Thank you. Yeah. That's
3 a good point. This is simply the
4 construction permit is the first step of
5 permitting. Following the -- If the
6 facility were developed and testing would
7 have to obtain an operating permit for the
8 purpose of the operating permit program, it
9 would be considered a major source. And
10 we'd be, again, going through a public
11 notice process before we issued that
12 operating permit.

13 MR. FICO: Okay. One last question,
14 what -- by what process can I question the
15 EPA's call on this? Is there a process if I
16 can think that you have made an error or
17 there is something -- some fact that is
18 not -- has not been considered?

19 MR. ROMAINE: Well, that's why we are
20 here tonight, to ask for those comments and
21 questions to have them brought to our
22 attention. If there is something we have
23 overlooked and haven't considered that we
24 can consider, we would like to look at it.

1 MR. FICO: Okay. I guess I
2 misunderstood because you said initially
3 that they had met all the requirements.

4 MR. ROMAINE: I said that our review
5 indicates that they have met the
6 requirements, but there may be other aspects
7 of it that we have not considered. For
8 example, I believe Susan Zingle pointed
9 questions about the potential role of
10 Mr. Notch and another facility or the
11 potential ownership issues relating to
12 SkyGen, which would certainly be relevant
13 for investigation.

14 MR. FICO: Okay. Thanks.

15 MR. SELTZER: Thank you. Verena Owen?

16 MS. OWEN: Thank you. V E R E N A,
17 O W E N. Thank you for pronouncing my name
18 right.

19 Before I go into detail about
20 this construction permit, your director,
21 Thomas Skinner, is a proponent of local
22 control. I wonder how he feels about
23 scheduling an air hearing when the local
24 control body has a meeting. I think this is

1 wrong. I don't think we should have this
2 hearing, not only for this reason but for
3 reasons I stated yesterday. I will not go
4 into more detail.

5 I have another more general
6 comment. In the past, it was very
7 convenient for public participants that
8 didn't have a chance to speak; and I know
9 that some of them left since yesterday to
10 submit their comments in writing. And there
11 was always a blank sheet provided by the EPA
12 with the facility number on it and a return
13 address and space to write. As a matter of
14 fact, there was one in Big Rock.

15 There is not one today. I
16 talked to Mr. Frost, and he said you or the
17 Agency is not doing this since the other
18 hearing officer retired. So I don't know
19 how we got them at Big Rock. If it is
20 within your powers to re-establish this, I
21 would very much ask you to do that. If you
22 want public input, you need to be
23 convenient.

24 MR. SELTZER: Yes. We will be doing

1 that.

2 MS. OWEN: Thank you, sir. We heard
3 tonight that Carlton submitted their
4 application on December 21, and I think
5 SkyGen did earlier in November. I wonder
6 why they were bundled together like this.
7 To whose convenience was that scheduled like
8 this two nights in a row?

9 I tell you the truth, it took a
10 lot of St. John's Wart today to get me back
11 here tonight. It really did. This is
12 exhausting for the public. It is. You
13 know, it might be convenient to you as there
14 are three or four weeks apart. I don't know
15 why you decided to schedule the meetings
16 like that.

17 MR. ROMAINE: Yes. We were, in fact,
18 trying to make it convenient for both the
19 Agency and our resources as well as for the
20 public's resources. To the extent that
21 people do have comments on both facilities,
22 we thought if they were together people
23 would have the ability to make comments at
24 one forum and then --

1 MS. OWEN: Believe me, everybody I know
2 would be happy to make their comments twice
3 and not be here two nights in a row. A
4 month apart would have been just fine.

5 Right now I am utterly confused
6 to tell you the truth. I FOIAed this permit
7 in mid July when I found out about that it
8 was drafted. Do I need to pass another
9 FOIA? There were sheets of paper submitted
10 here tonight. Are they part of the permit?
11 Do I -- I don't even know if any of my
12 comments are valid anymore. Would somebody
13 try to enlighten me what exactly happened?

14 MR. ROMAINE: The material that was
15 submitted tonight has become part of the
16 record for the public comment period just as
17 other material has been submitted by the
18 public. And it is certainly material that
19 we would be considering as part of our
20 review of the application.

21 MS. OWEN: So the answer is yes, I will
22 have to FOIA these three sheets and whatever
23 happened in-between. I mean, my question is
24 if I FOIA something at what time can I be

1 assured what I am going to be commenting on
2 is actually what you guys are looking at.

3 MR. ROMAINÉ: I think it would be
4 apparent that not until the close of the
5 comment period, the final reaction, the
6 final period of time. We are still getting
7 public comments. Those are also something
8 that we are going to be considering.

9 MS. OWEN: Okay. On the first page of
10 this draft permit, there is a reference to
11 the new source performance standard; and it
12 does not give the number. I would like to
13 know how old this new source performance
14 standard is, what the number is, and was it
15 ever intended for plants like that.

16 MR. ROMAINÉ: I believe the data of
17 this new performance standard was 1979. The
18 emissions --

19 MS. OWEN: Twenty-one years.

20 MR. ROMAINÉ: The emission limit was
21 approximately 75 PPM. There are various
22 adjustments to it. And I think the broader
23 question, was it intended for plants like
24 this, certainly it applies to them. Did it

1 address this newer lower emission control
2 technology that is now available, no.

3 MS. OWEN: Do you think that should be
4 changed?

5 MR. ROMAINÉ: That's really a question
6 for the USEPA to ask. The goal of the USEPA
7 at times in adopting new course performance
8 standards is to advance emission control
9 measures across the nation. To the extent
10 that turbines are consistently being
11 developed and required with the advanced
12 burner system technology required by General
13 Electric, I personally wouldn't see any
14 reason to update it; but the USEPA could
15 certainly decide to do so.

16 MS. OWEN: I think after 20 years it is
17 time, and there might be other areas that
18 desperately need updating.

19 Here we get into trouble. On
20 Page 2 under 3E, it gives the gas
21 consumption; and I was listening carefully,
22 and the numbers are not the same. Could
23 somebody repeat the numbers in million cubic
24 feet to me so I can actually compare what

1 was stated tonight to the ones that are in
2 the permit? You lost me there somewhere.

3 MR. PATEL: In the draft permit for
4 option A, there were -- number of natural
5 gas number is 8,330 million cubic feet.

6 MS. OWEN: There was a number, 7.86
7 expediential nine something or other that
8 was mentioned for the gas consumption. Was
9 that --

10 MR. PATEL: That is the same unit, but
11 actually it is not million. It is standard
12 cubic feet.

13 MS. OWEN: So that's different than the
14 number?

15 MR. PATEL: But that is the number
16 given --

17 MS. OWEN: The numbers are correct. It
18 is just a different reference point. One is
19 cubic feet, and one is standard cubic feet,
20 or what did you just say? Would you just
21 repeat the answer?

22 MR. PATEL: It was just a million. It
23 was ten to the power nine --

24 MS. OWEN: Yeah.

1 MR. PATEL: -- cubic feet.

2 MS. OWEN: Yes, I understand. So we
3 are comparing cubic feet to cubic feet then?
4 Am I not making my question clear? I am
5 sorry. I don't want to confuse you. I am
6 trying to understand while in the permit it
7 say 8,313 million cubic feet; and somebody
8 said 7.86, whatever it was, 7,860 million
9 cubic feet.

10 MR. PATEL: Your question is why the
11 numbers are different?

12 MS. OWEN: Yes.

13 MR. PATEL: That number was submitted
14 in the application by the Applicant.

15 MS. OWEN: Yes.

16 MR. PATEL: And this number was placed
17 in the permit, draft permit --

18 MS. OWEN: Yes.

19 MR. PATEL: -- is based on our review
20 and our calculation --

21 MS. OWEN: Yes.

22 MR. PATEL: -- based on the worst case
23 data we used. So there is a little bit
24 difference in the number.

1 MS. OWEN: Who is right?

2 MR. PATEL: This is their number in the
3 permit.

4 MS. OWEN: So when they are talking a
5 different number, I should just ignore that?

6 MR. PATEL: No. That is their number
7 presented in the application.

8 MS. OWEN: I am sorry, but you are not
9 going anywhere with this. Should I ask the
10 court reporter to recall -- is that possible
11 to look this up? Does anybody remember
12 this? I am standing here. I feel like an
13 idiot. I was taking copious notes. Can you
14 please answer?

15 MR. MACAK: I could take my cut at it.

16 MR. SELTZER: We are off the record
17 now.

18
19 (There was a discussion held
20 off the record.)

21
22 MR. SELTZER: We are on.

23 MS. OWEN: I think my confusion stems
24 that there are numbers in the application

1 that are not the same numbers in the draft
2 permit. I would just like somebody to tell
3 me why there is a difference.

4 MR. ROMAINE: I can't tell you. I
5 agree. There is a difference. It appears
6 the number in the application that was
7 provided for the -- well, option A was about
8 5 percent higher --

9 MS. OWEN: Those numbers are different.

10 MR. ROMAINE: One is a little bit
11 lower.

12 MS. OWEN: One is lower. One is
13 higher.

14 MR. ROMAINE: Right. I agree. We will
15 have to look into it.

16 MR. MACAK: Can I answer one thing?

17 MR. ROMAINE: Yes.

18 MR. MACAK: The numbers we put in the
19 application were based on the operating
20 scenarios certain percent of the time that
21 we discussed earlier where we had X percent
22 of time on a winter day, and we made some
23 assumptions. And then subsequent to that
24 application filing I know Manish was making

1 some adjustments for some start-up emissions
2 and slightly different operating scenario
3 than what we had.

4 So, you know, there -- the
5 number -- we still stand by the number we
6 put in our application for the exact
7 scenario that we had. If we shifted some of
8 the operating time more towards summer
9 operation, the fuel number will change
10 again. But the main thing that we are still
11 standing by is the tons per year regardless
12 of what the fuel flow number is.

13 MS. OWEN: Huh?

14 MR. MACAK: Via the monitoring --

15 MS. OWEN: I understand that you are
16 telling me it doesn't matter how much gas
17 you burn. You still meet the tonnage.
18 Isn't that the basis for this permit is the
19 gas consumption? Don't answer this. I am
20 asking them.

21 MR. PATEL: Yes.

22 MS. OWEN: Okay. That is your answer.
23 I wish I was an engineer. I don't know how
24 to do this. So I will skip on to the next

1 point. What is the thermal efficiency of
2 those turbines? That's an easy one.

3 MR. MACAK: The -- What we have in the
4 application is the heat rate number not
5 calculated in percent thermal efficiency.

6 MS. OWEN: Do me a favor and calculate
7 that 'cause I can't.

8 MR. MACAK: What we can do is add a
9 column. I don't have it. I can't give it
10 to you right now, but I can add that in here
11 if that's important.

12 MS. OWEN: It is to me.

13 MR. MACAK: The heat rate is the one
14 that relates to the new source performance
15 standard. The better the heat rate, the
16 higher the allowed emissions.

17 MS. OWEN: Can you guess? Is it 10,
18 20, 30?

19 MR. MACAK: It is upper 30s, 38, 39.

20 MR. NOTCH: Mid 30s.

21 MR. MACAK: It is upper 30s.

22 MS. OWEN: Okay. Still on the same
23 page, Page 2, 4A talks about the emissions
24 of smoke and other particulate matter; and

1 it shall not have a capacity of greater than
2 30 percent. Is that a state regulation or a
3 USEPA regulation?

4 MR. ROMAINE: That's a state
5 regulation.

6 MS. OWEN: What is the USEPA
7 regulation? It is 20 percent. Yes, believe
8 me.

9 MR. ROMAINE: The state -- The federal
10 regulation for gas turbine?

11 MS. OWEN: The capacity is 20 percent
12 when operating. It might be different for a
13 construction permit. It was just a
14 curiosity. I just wanted to know if it was
15 a state or a federal, and you said state,
16 and that's fine.

17 MR. ROMAINE: I guess I need to clarify
18 that. Is that specifically for a gas
19 turbine? I am aware that the federal NSPS
20 for a boiler is 20 percent.

21 MS. OWEN: So gas turbines are allowed
22 to be dirtier?

23 MR. ROMAINE: There is not a
24 different -- a specific federal capacity

1 standard, to my knowledge, that has been
2 established for turbines. The USEPA did
3 establish a new source performance standard
4 for boilers where there was a concern due to
5 the potential for burning coal, oil, other
6 fuels, wood; and that NSPS did limit
7 capacity.

8 MS. OWEN: Is that another unhealthy
9 regulations maybe that should be changed?
10 Like we talked before, if there is none in
11 existence, should there be one?

12 MR. ROMAINÉ: No.

13 MS. OWEN: No. That's an answer.

14 MR. ROMAINÉ: The general belief is
15 that control of particulate matter for a
16 turbine is provided by firing natural gas.
17 It might be appropriate to have a specific
18 capacity limit if fuel oil is being burned.
19 I hadn't really thought about that, but not
20 for natural gas.

21 MS. OWEN: Thank you. I will get back
22 to that point later. 4B, same page, each
23 turbine shall be operated in a manner
24 consistent with good air pollution control

1 practices. What are those?

2 MR. ROMAINE: The specific practices
3 that we are expecting the facility is
4 designated below. Let me back up in saying
5 more generally that the concept of good air
6 pollution control practice is a fair and
7 nebulous one; but it is one that was
8 developed by USEPA in the federal noise
9 source performance standards.

10 When something is subject to the
11 new source performance standard, there is a
12 general obligation to use good air pollution
13 control practice. The things that we
14 specifically defined as a minimum for good
15 air pollution control practices include
16 managing of the operation to minimize sudden
17 start-ups, operating according to specific
18 written instructions. So it is well defined
19 how the plant is going to operate.

20 MS. OWEN: Yeah. I know because it
21 says right here. I am going to comment on
22 this. So you put it yourself kind of a
23 nebulous thing. So minimize multiple
24 start-ups, can you require them to only

1 start-up once a day?

2 MR. ROMAINÉ: I don't believe that
3 would be an appropriate restriction.

4 MS. OWEN: Has the IEPA done that in
5 the past with other permits?

6 MR. ROMAINÉ: Not to my knowledge.

7 MS. OWEN: On Page 3, it says permittee
8 shall operate in accordance with the
9 manufacturer's written instructions or other
10 written instructions developed and
11 maintained by the permittee. Do either of
12 you have the manufacturer's written
13 instructions?

14 MR. ROMAINÉ: Absolutely not. Again,
15 as we have said, we do not have the
16 expertise to dictate how these units are
17 operated.

18 However, if something goes wrong
19 with the operation of the turbines, we want
20 to know why it went wrong if we go into that
21 level of depth in a specific instance and
22 they have not operated consistent with the
23 manufacturer's instructions or their own
24 instructions and it is clear that something

1 fell through and they were not following
2 good operating practice.

3 MS. OWEN: I understand that this is
4 not operating permit. I also understand
5 that this will be the basis for an operating
6 permit.

7 MR. ROMAINE: That's correct. I would
8 say in that regard certainly there is the
9 potential as part of the process of an
10 operating permit when and if this facility
11 were developed there were more information
12 available for those operating procedures,
13 there could be additional provisions applied
14 -- imposed addressing good operating
15 practices.

16 MS. OWEN: I understand that you don't
17 feel it is your responsibility to review the
18 manufacturer's written instructions. I am
19 particularly bothered by the fact yet you
20 will allow the permittee to write his own
21 instructions.

22 MR. ROMAINE: I accept that as a
23 comment. I accept that as a comment.

24 MS. OWEN: Good. You talked about your

1 expectations again. We talked about the
2 expectations yesterday already, that your
3 expectations are that the actual emissions
4 will be much less. It is just -- It is a
5 comment. It is not a question.

6 6A, each turbine may be operated
7 for a period of up to 180 days from the
8 start-up. Again, the question is is that
9 operating days; or is this calendar days?

10 MR. ROMAIN: It is calendar days.

11 MS. OWEN: Thank you. I think you
12 should be a little more specific in the
13 future on that point. I have to ask every
14 time.

15 MR. ROMAIN: We have simply followed
16 language here from the federal program, and
17 it is commonly understood to be calendar
18 days. We can certainly add that in.

19 MS. OWEN: Thank you. I have a
20 question that's -- it is not a question.
21 You said way in the beginning when we were
22 talking about the turbines and all this, you
23 said they are actual machines. Does that
24 mean they are already somewhere stored? Do

1 they exist?

2 MR. NOTCH: I think -- I mean that's
3 hypothetical. The entities that I am
4 talking to have orders on or let's say in
5 place with General Electric for future
6 deliveries of these models of gas turbines
7 that will meet these specs.

8 MS. OWEN: So they do exist?

9 MR. NOTCH: No, I wouldn't believe so.
10 You know, we are talking here of a
11 commercial operation day at this point it is
12 going to be May of 2002, so more than likely
13 these turbines have not been manufactured
14 yet.

15 MS. OWEN: It seems to me that
16 Mr. Notch thinks they do not exist. Are you
17 interested if they are actually in existence
18 or not yet?

19 MR. ROMAINE: No. This is no different
20 than ordering an automobile. We don't know
21 whether an automobile has been built or
22 manufactured yet.

23 MS. OWEN: Then I don't understand 7A,
24 the date construction of the turbine

1 commences postmarked no later than 30 days
2 after such a day pursuant to blah-blah-blah
3 with this notification that permittee shall
4 identify the turbines that have been
5 selected for installation. Should you not
6 be interested if those turbines are already
7 constructed or commenced construction as in
8 7A?

9 MR. ROMAINE: I think with
10 clarification what we were specifically
11 asking for is a statement at that point in
12 time whether the facility would be pursuing
13 option A or option B, whether it was going
14 with a three turbine or a six turbine
15 option.

16 MS. OWEN: That's correct. However, it
17 says that the date construction of the
18 turbine commences is the date that they
19 shall identify the turbines that have been
20 selected. So if he says he doesn't know if
21 whoever he deals with has turbines in his
22 backyard, those turbines have been
23 constructed; and they should be identify now
24 which turbines he is using.

1 He says he is not sure. You are
2 not interested if they are. I happen to be
3 interested. And your permit seems to be
4 interested.

5 MR. ROMAINE: I think, again, it is a
6 question of wording. This specific language
7 is talking about construction at the source.
8 We are not specifically talking about
9 construction of the turbines at some
10 manufacturing facility.

11 MS. OWEN: It doesn't say at the
12 source.

13 MR. ROMAINE: That's correct. That's a
14 good comment.

15 MS. OWEN: I am so glad you like my
16 comment. I'll skip over the next one.
17 That's too boring. I am more interested in
18 10B. Will those peakers fit the definition
19 of peaker on 40 CFR 75?

20 MR. ROMAINE: The definition of peaker
21 in 40 CFR 75 is a working definition. By
22 that I mean it is based on the actual
23 operation of the turbines. And certainly
24 these turbines could be operated as peaking

1 turbines as defined in 40 CFR 75.

2 MS. OWEN: Do you expect them to
3 operate as peaking turbines under 40 CFR 75?

4 MR. ROMAINE: Yes.

5 MS. OWEN: You said that your company
6 also does environmental testing things?

7 MR. MACAK: (Nodded head).

8 MS. OWEN: Is it possible -- Let me
9 rephrase that. Under B, it says performance
10 and certifications shall be conducted by an
11 approved independent testing service. Would
12 you fall under that category?

13 MR. MACAK: That's correct.

14 MS. OWEN: So you could be testing your
15 own equipment and your own theories?

16 MR. MACAK: It is not our equipment.

17 MS. OWEN: What is your -- but it is
18 your theories?

19 MR. MACAK: It is not our theories. We
20 are using the GE data directly, just putting
21 it in an application. So the fact that we
22 test it later is irrelevant.

23 MR. ROMAINE: I heard the comment.
24 That is an interesting one. Thank you. You

1 may not be testing in the future
2 necessarily. I will have to think about
3 that.

4 MS. OWEN: I am so glad. I really am.
5 I have lots of scenarios going through my
6 mind with that. Now, in 13A I have been
7 curious forever about. This is kind of new.
8 It says the permittee shall notify the
9 Illinois EPA within ten days if NOX
10 emissions exceeds 160 tons per year. Tell
11 me why.

12 MR. ROMAINE: Based on our experience,
13 we expect that peaker plants will normally
14 operate in the three summer months,
15 primarily June, July, and August. If you
16 divide the allowed emissions of this
17 facility, roughly 240 tons by 3, you come up
18 with 80 tons per month.

19 Basically what we are concerned
20 with is if they use up more than 80 tons in
21 June and more than 80 tons in July, there is
22 not 80 tons left for August. It doesn't
23 make sense to wait until the end of August
24 or September to find out about that.

1 They can notify us if there is
2 something special going on at the end of
3 July or conceivably the end of June. And
4 that way we can take immediate action to see
5 if there is something changed significantly
6 in the way this plant is operating.

7 MS. OWEN: So they notify you, and then
8 what happens?

9 MR. ROMAINE: We investigate to see
10 whether, in fact, it is now the end of
11 September. The peaking season is over. Or
12 if, in fact, there's been a catastrophic
13 change in Illinois' electric power supply
14 system for the particular summer. The
15 nuclear plants are off-line. We have to
16 contemplate potential operation of this
17 facility as a major source for that
18 particular summer and need to start working
19 on the appropriate enforcement action or
20 corrective action to deal with that
21 contingency.

22 MS. OWEN: Is that a state regulation
23 or a federal one?

24 MR. ROMAINE: Neither. This is a

1 condition that we are imposing pursuant to
2 our general authority to impose conditions
3 as necessary to carry out environmental
4 protection.

5 MS. OWEN: How free are you to impose
6 conditions?

7 MR. ROMAINE: We are -- That's a good
8 question actually. We are -- have the
9 authority to impose conditions that aren't
10 contrary to applicable rules and laws that
11 generally carry out the purposes of the
12 Environmental Protection Act.

13 MS. OWEN: Who is we?

14 MR. ROMAINE: The Agency.

15 MS. OWEN: Is there a particular
16 person? This is done by consensus? Is this
17 the permit writer's idea? Does it have to
18 be run past a board? Just curious.

19 MR. ROMAINE: You are asking sort of an
20 internal workings of the Agency.

21 MS. OWEN: I didn't know they were
22 secret. I am sorry.

23 MR. ROMAINE: The approach to
24 permitting, for routine matters, the analyst

1 works with his direct supervisor. There is
2 sort of a common understanding of what's
3 done in the past.

4 If there was something beyond
5 that, it would be discussed perhaps with the
6 permit section manager. If the permit
7 section manager was comfortable with that,
8 that would be sufficient.

9 If it was more unique, we might
10 talk to our attorneys and ask them do we
11 have authority for that, consult with other
12 persons with the Bureau of the Air that have
13 experience in that matter, and, again, make
14 a decision if it was within our authority
15 and appropriate or not.

16 MS. OWEN: Okay. Table 1, please.
17 Actually, we need both tables for this
18 question. I am sorry. I kind of flipped
19 back and forth.

20 These two tables are the two
21 different turbines. I am just curious.
22 There was mention that natural gas is a no
23 ash fuel. Did somebody say that?

24 MR. ROMAINE: Well, negotiable ash,

1 very low ash, that's correct.

2 MS. OWEN: Now, using their numbers,
3 not yours, guys, the first table is the one
4 for the three turbines that according to
5 your permit actually use -- consume more
6 fuel than these six. Just say yes.

7 MR. ROMAINE: Yes.

8 MS. OWEN: Thank you. If you looked at
9 the PM-10 emissions, they actually do use --
10 I did the numbers a little bit -- 20 percent
11 less gas I think. However, the PM emissions
12 are twice as high. So they use less gas,
13 and their PM emissions are twice as high
14 with a no ash fuel. Why?

15 MR. ROMAINE: This reflects the
16 difference in the emission data provided for
17 the two turbines.

18 MS. OWEN: Do you find it at least
19 curious?

20 MR. ROMAINE: Yes, I do.

21 MR. MACAK: Do you want the
22 explanation?

23 MS. OWEN: No. I am sorry. This is my
24 turn. Go get your card. Since we are

1 flipping back and forth, (unintelligible)
2 SO2, I am sure the explanation is the same
3 as if there is one.

4 I asked the question about
5 hourly emissions yesterday. And I was told
6 that you can't really measure that because
7 the only continuous emission monitor you
8 have -- and this is SkyGen, so you guys
9 don't need to listen -- was for NOX. Table
10 1 sets hourly emission limits for each
11 turbine. I would like to know how are they
12 measured.

13 MR. ROMAINÉ: Compliance with those
14 limitations would, in fact, be measured
15 during the initial emission tests.

16 MS. OWEN: If I was an inspector -- you
17 do have inspectors -- and I come into that
18 plant, how can I tell they are in compliance
19 with the hourly emissions?

20 MR. ROMAINÉ: You would have to look at
21 the NOX monitor --

22 MS. OWEN: That's the easy one.

23 MR. ROMAINÉ: And then for other
24 pollutants, you would be looking at the

1 operating conditions of the turbine as
2 compared to the operating conditions during
3 the emission testing. If there was a
4 concern about that, you would certainly have
5 the authority to ask for emission testing to
6 be conducted under the specific conditions
7 you have observed or, alternatively, for the
8 facility to commit to never operate under
9 those conditions.

10 MS. OWEN: You don't have to answer
11 this, Mr. Notch; but is there an emergency
12 fire water pump there?

13 MR. NOTCH: I believe, yes. We have --
14 There is going to be a water tank on the
15 property. And typically a certain amount of
16 the water level would have been designated
17 for fire use.

18 MS. OWEN: How much?

19 MR. NOTCH: I don't know. It will be
20 several hundred thousand gallons.

21 MS. OWEN: Like under a million, over a
22 million? Over a million or under a million?

23 MR. NOTCH: I don't understand.

24 MS. OWEN: You said several hundred

1 thousand. This is closer to one or closer
2 to --

3 MR. NOTCH: Like 200,000 gallons I
4 think ballpark. Subject to a review, I
5 think we had sized that tank -- those are
6 the numbers that we had presented, I
7 believe, at the January meeting.

8 MS. OWEN: I do not recall. That was a
9 long time ago.

10 MR. SELTZER: Let's not --

11 MS. OWEN: I am sorry. Yes. I am
12 sorry. Does your air model take into
13 consideration the permitted peaker plant in
14 Pleasant Prairie?

15 MR. MACAK: At the time we did the
16 modeling, we used the data provided by
17 Illinois EPA. So I am not sure it included
18 something more recent than March.

19 MS. OWEN: Since they are giving you
20 papers today to amend this, can you ask them
21 to go back and do it?

22 MR. ROMAINE: Yes, we could.

23 MS. OWEN: Are you going to?

24 MR. ROMAINE: I guess first I need

1 to -- has the Pleasant Prairie peaker
2 actually received its permit yet from the
3 State of Wisconsin?

4 MS. OWEN: August 18.

5 MR. ROMAINE: When did they hold their
6 hearing?

7 MS. OWEN: When we were in Big Rock.

8 MR. SELTZER: Wait.

9 MS. OWEN: I will summarize this. The
10 permit is expected August 18. The public
11 hearing was the same night we were in Big
12 Rock, Kane County.

13 MR. ROMAINE: Certainly if that permit
14 is issued, it would be appropriate to
15 address.

16 MS. OWEN: Thank you. Just out of
17 curiosity, we were talking about condensable
18 emissions. Is that the front or the back
19 half?

20 MR. ROMAINE: That's the back half.

21 MS. OWEN: Are all condensable
22 emissions in turbines considered particulate
23 matter?

24 MR. ROMAINE: Yes, they are.

1 MS. OWEN: Did you say back? Did you
2 say back half? Thank you. I didn't write
3 down your answer. You said back. Thank
4 you.

5 Mr. Notch said that his turbines
6 are going to be best control technology,
7 real clean and all this. However, there are
8 15 PPM NOX; and last night the ones we had
9 were 9. Isn't 9 better than 15?

10 MR. NOTCH: If I am not mistaken, I
11 believe their permit application for Zion
12 Energy also referenced 15 PPM for the
13 permit.

14 MS. OWEN: It did?

15 MR. NOTCH: That's what I heard last
16 night.

17 MS. OWEN: I heard 9. Does anybody
18 recall?

19 MR. ROMAINE: My recollection is that
20 the hourly emission rates for the turbines
21 are identical. However, the annual
22 performance specification required of Zion
23 Energy is, in fact, 9 PPM.

24 MS. OWEN: Thank you. That's exactly

1 how I recall it. Thank you. I think that's
2 all I have right now.

3 MR. ROMAINE: I am going to make a
4 comment now.

5 MR. SELTZER: Yes.

6 MR. ROMAINE: You had asked about
7 statistics. Before I forgot, we have 41
8 applications for new peaker sites. Of
9 those, we have 16 pending applications. We
10 have issued permits for 25. In addition, we
11 have five applications for new
12 combined-cycle power plants of which three
13 are pending.

14 In addition, we have
15 applications for existing sites. We have, I
16 believe, five existing sites that are
17 applying for peakers. Two of those are
18 permitted.

19 When I am talking about existing
20 sites, I am talking about a coal-fired power
21 plant that is proposing to add additional
22 peaking capacity to its facility. I am also
23 talking about manufacturing facilities that
24 are proposing to add industrial or

1 electrical turbines to their sites. We also
2 have some combined-cycle projects at
3 existing power plants and industrial sites.

4 MS. OWEN: Thank you.

5 MR. SELTZER: Thank you. Next is Ron
6 Molinaro.

7 MR. MOLINARO: That's it. Thank you.

8 MR. SELTZER: Please spell your name
9 for the record.

10 MR. MOLINARO: R O N, M O L I N A R O.
11 I will try to keep my comments brief
12 actually. I had a whole list of them, but
13 things are running late. I just have a few
14 questions for the Illinois EPA here.

15 Now, you are aware of the fact
16 that the governor has requested the
17 pollution board to hold hearings, correct?

18 MR. ROMAINE: Yes.

19 MR. MOLINARO: And the purpose of these
20 hearings are to review the standards of the
21 emissions for these plants and to decide
22 whether we need to raise the bar for them?

23 MR. ROMAINE: That's correct.

24 MR. MOLINARO: Now, basically I just

1 have a comment then. Don't you believe that
2 it would be irresponsible and reckless for
3 our environment to issue these permits
4 knowing the fact that possibly the bar is
5 going to be raised, and the information on
6 these permits are really useless and
7 senseless?

8 MR. ROMAINE: I don't think it is a
9 question of what I think. The current
10 regulations are what the regulations are.
11 If the legislature believed it was
12 appropriate to put a moratorium on peaker
13 plants, they certainly could have adopted
14 such a moratorium.

15 When we receive an application
16 for a project, we have to review it. We
17 have certain statutory deadlines we have to
18 work on. We can certainly due to the large
19 number of applications claim, in fact, have
20 problems meeting those deadlines and do ask
21 for waivers; but we don't have the authority
22 simply to say because the board is looking
23 at these things that's a basis to deny them.

24 The other comment I have is that

1 the board, one of the issues that the
2 governor specifically asked to be addressed
3 was whether these new requirements should be
4 posed retroactively to new peaker projects.
5 So that is also something that the board is
6 considering as well.

7 MR. MOLINARO: How can they
8 retroactively I guess add these standards to
9 facility that's already operating? I mean,
10 do you just go back and say okay, you have
11 to stick another \$50 million into upgrading
12 your unit to meet the standards? Is that a
13 reasonable expectation or question to ask?

14 MR. ROMAINE: I think it certainly is
15 reasonable. The whole activities that are
16 occurring because Chicago is an ozone
17 non-attainment area is going back to
18 existing plants and asking them to put on
19 control devices and additional measures and
20 phase out old equipment. And the expenses
21 that are being asked to the existing plants
22 to meet the ozone standard are certainly of
23 that magnitude.

24 MR. MOLINARO: Does Mr. Skinner have

1 the authority to say we are going to not
2 issue any permits in residential areas until
3 these standards have been reviewed, or does
4 that have to be done by the governor?

5 MR. ROMAINE: Mr. Skinner, to my
6 knowledge, does not have that authority. I
7 don't know whether the governor even has
8 that authority. Certainly the legislature
9 has the ability to enact laws that could
10 have effect.

11 MR. MOLINARO: We realize there was an
12 attempt by Senator Link to do that, and it
13 just didn't get called during the special
14 session.

15 I guess I would like to just --
16 to leave you with just a comment that or
17 really more of a request that you would go
18 back to Mr. Skinner and let him know that
19 the citizens of the Zion area strongly urge
20 him to sit down and have a conversation with
21 both the governor, possibly Speaker Madigan,
22 Pate Phillips in the Senate and resolve this
23 issue because it is not fair to the citizens
24 of this area, the people who have invested

1 their life savings into their homes.

2 I mean, in the last two days we
3 have talked about the potential of two
4 plants being built, anywhere from 12 to 18
5 smokestacks a mile away from residential
6 areas, parks in which our children play.
7 And they are going to be forced to breathe
8 in the fumes from these plants without
9 really knowing the actual effects of them I
10 guess.

11 So my strong recommendation is
12 that you go back to them and tell them that
13 it is only in the essence of good government
14 that they stall this and wait until all the
15 facts are known and to not issue any permits
16 to anyone until we resolve these unanswered
17 questions. Thank you.

18 MR. SELTZER: Thank you. Sandra
19 Debrine?

20 AUDIENCE MEMBER: She has left again
21 tonight. She has to get up early. She was
22 here last night. She didn't a get chance to
23 speak.

24 MR. SELTZER: Phillip Panton?

1 AUDIENCE MEMBER: I am going to defer.

2 MR. SELTZER: Tom Gesell?

3 MR. GESELL: Gesell. Just real
4 briefly, it just appears to me --

5 MR. SELTZER: Could you spell your name
6 first?

7 MR. GESELL: Sure. G E S E L L. That
8 the Illinois EPA depending upon the
9 Applicant for the information on which you
10 are basing approval of the application,
11 depending on them for the information is
12 rather like Ford Motor Company depending on
13 Firestone for safety information on their
14 tires. It might come back and bite you
15 later on.

16 I don't represent any
17 organizations. I just live in the shadow of
18 these plants that are proposed to be built.
19 And when I look out my windows right now,
20 the tallest edifice around where I live is a
21 church steeple and way off in the northern
22 distance the coal plant up in Pleasant
23 Prairie. If I look out my front windows, I
24 see rolling cornfields. I see the forest

1 preserve beyond that by the Des Plaines
2 River. I look out my back window, I see
3 trees and cornfields.

4 They build these plants, all I
5 am going to see is stacks and smoke. I look
6 up to the north to the coal plant; and the
7 smoke coming from that plant someday, it
8 gets real thick. I am less than what, a
9 half mile from where this is going to be?

10 I have four little children.
11 And like these folks have spoken about, what
12 sort of pollutants will be falling out of
13 the air from these plants? Mr. Notch is
14 sitting there shaking his head when we are
15 talking about pollution coming out of the
16 stacks.

17 I built a beautiful sprawling
18 house real close to where you are going to
19 build this plant. I'll be able to keep an
20 eye on your investment. So if you want to
21 buy the place, we can talk.

22 I know you guys aren't -- don't
23 deal too much with the noise pollution.
24 Right now though I go out in my yard on a

1 summer night like this, all I hear are
2 crickets, some birds, the wind rustling
3 through the trees. I don't want to have six
4 propane powered or natural gas powered jet
5 engines kicking in in the middle of the
6 night or whenever his client deems it
7 necessary they turn it on. That's about
8 all. Thank you.

9 MR. SELTZER: Thank you. Chad
10 Anderson?

11 MR. ANDERSON: First, I'd probably like
12 to ask after the gentleman talked about how
13 nice it is out on Delany Road. If you
14 haven't drove your car down there lately, it
15 might be worth checking out before you
16 decide to put all this stuff out there.
17 Especially with the sun setting it is pretty
18 nice.

19 I wondered if there is any type
20 of regulatory group to regulate the peaker
21 power like all aspects of it? Does anyone
22 know of that? Someone that will oversee the
23 whole thing, every peaker power plant?

24 MR. SELTZER: Are you talking about all

1 the various potential pollution sources?
2 Noise pollution, water, is that what you are
3 talking about?

4 MR. ANDERSON: Right, especially in
5 residential areas like this one.

6 MR. SELTZER: The state EPA has
7 standards. For example, they do have noise
8 standards. And those standards -- the
9 standards are adopted by another agency
10 called the Pollution Control Board. The
11 Environmental Protection Agency is designed
12 to enforce the regulations adopted by the
13 Pollution Control Board. That's what we do.

14 MR. ANDERSON: All right.

15 MR. SELTZER: So to the degree that
16 there are regulations, the Agency can
17 enforce those regulations. There may be
18 state statutes that are applicable, which
19 the EPA can enforce.

20 If you are talking about an
21 ongoing enforcement situation of all the
22 different pollutants at the beginning, you
23 were here I know, and we indicated that
24 because the -- this is -- this hearing

1 doesn't relate to noise pollution and water
2 pollution, the Agency does not have
3 statutory authority to grant a permit for
4 noise pollution. Without that permit, that
5 permit authority puts a big hook on
6 industry. We don't have that hook with
7 regard to noise pollution.

8 MR. ANDERSON: Is that going to be
9 something that will be changed in the
10 future, you guys having more power to have
11 better control?

12 MR. SELTZER: I believe the Agency has
13 in the past asked for legislation to have
14 permits for certain types of noise sources.

15 MR. ANDERSON: All right. I wanted to
16 know how often this facility will be tested
17 for air pollution.

18 MR. ROMAINE: The continuous monitor
19 would, in fact, be ongoing on a permanent
20 basis. Emissions testing would be conducted
21 initially when it begins operation. The
22 frequency of testing thereafter would be
23 something that would be defined in the
24 operating permit. For facilities of this

1 type, historically we have not had
2 requirements for periodic testing. That's
3 something that could be taken up at the time
4 for operating permit.

5 MR. ANDERSON: You guys talked about
6 these two different permits. But is it
7 logical to think that someone is going to
8 build a plant, and then they are not going
9 to use it? Is that what I am understanding
10 a construction permit is for the
11 construction?

12 MR. ROMAINE: The construction permit
13 is for the construction; but it also is the
14 point at which applicable limitations and
15 requirements, the basic limitations and
16 requirements are established for a facility.
17 So in this case the construction permit
18 would establish the restrictions on fuel
19 usage emissions, requirements for continuous
20 emission monitoring, initial testing.

21 The operating permit could
22 enhance the compliance provisions, but it
23 would not normally add additional
24 limitations. So it would not change the

1 fuel limitations necessarily; but it could
2 certainly be more specific on requirements
3 for how things should be monitored or, as
4 you mentioned before, specify with more
5 definition what shall be carried out for
6 good air pollution control practices.

7 MR. ANDERSON: All right. I was
8 wondering if -- I know Waukegan has a
9 six-month moratorium -- if this gentleman
10 here would voluntarily do that for his
11 facility to do that. Would that be
12 something that you would do voluntarily for
13 everyone to get more information on the
14 subject and more testing done?

15 MR. NOTCH: No comment.

16 MR. ANDERSON: And I also had a
17 question, what were you guys talking about
18 with the 15 parts per million? Is that in
19 regards to what exactly? I missed that.

20 MR. ROMAINE: What we were referring to
21 was the concentration of nitrogen oxides in
22 the exhaust of the turbine. And the modern
23 burner technology that GE has developed can
24 achieve emission levels in the range of 15

1 to 9 PPM of NOX in the exhaust from the
2 turbine.

3 The 15 PPM number has been
4 specified as an hourly limit for this
5 facility and for the Zion Energy facility
6 that we discussed last night. The 9 PPM is
7 also required of the Zion facility on a
8 long-term average. For purposes of
9 comparison, the air quality standard for NOX
10 is in the range of .05 PPM.

11 When you are starting off with
12 something that is only at 15 PPM, that means
13 you have extraordinarily good dispersion and
14 at very low impacts on actual NOX air
15 quality. And the other point would be that
16 when you are talking about carbon monoxide,
17 for example, the emissions coming out of the
18 stack are actually at the air quality
19 standard in that range. You are not really
20 relying on much dispersion at all, and the
21 results of the impacts of carbon monoxide
22 are infinitesimal.

23 MR. ANDERSON: So the 15 parts per
24 million, is that an Illinois standard or a

1 USEPA standard?

2 MR. ROMAINE: Neither. The 15 PPM is
3 the emission rate that this new burner
4 systems can achieve for these turbines.

5 MR. ANDERSON: Is there a limit; and if
6 so, what is it?

7 MR. ROMAINE: The limit is one that
8 Verena referred to; and she commented it is
9 a limit that is, in fact, 20 years-old. In
10 1979, the USEPA believed that appropriate
11 number to reflect good control from a
12 turbine would be met at 75 PPM.

13 MR. ANDERSON: Is that -- Is there a
14 reason to think that should be updated
15 seeing that was from 20 years ago?

16 MR. ROMAINE: Well, if people are using
17 15 PPM machines, the question is whether a
18 person could even buy and get permitted at a
19 75 PPM machine.

20 MR. ANDERSON: But should it be lowered
21 is what I am asking?

22 MR. ROMAINE: Well, the purpose of the
23 federal new source performance standard is
24 to assure consistency in permitting

1 nationwide and to make sure that new
2 developments in control technology are
3 applied uniformly across the nation. If
4 USEPA found that there are facilities that
5 were not taking advantage of modern turbines
6 that it is still possible in some
7 jurisdiction to get a 75 PM machine
8 permitted, then it would certainly be
9 appropriate the new source performance
10 standard.

11 MR. ANDERSON: All right. I wondered
12 if this plant will add to air pollution in a
13 residential area.

14 MR. ROMAINE: The effects of this
15 facility would certainly add to the overall
16 loading of emissions in the greater Chicago
17 area and to areas north. In terms of
18 changing the impacts, the actual levels
19 experienced in areas, the modeling that is
20 performed shows that it wouldn't have a
21 significant impact on actual air quality.

22 So surely there are more
23 emissions. What is the effect of those
24 emissions when you look at the resulting

1 concentrations in the air, those numbers
2 aren't significant.

3 MR. ANDERSON: All right. So my last
4 question would be is public health a concern
5 for these plants in the event of that like
6 something terribly bad happening? What
7 would be like the worst case scenario if
8 this started up like 100 times every day?
9 Is that possible? And if that happened,
10 what would be the effect on the public?
11 'Cause I understand when it starts up,
12 that's when it is the worst for the
13 environment.

14 MR. ROMAINE: We have not evaluated
15 scenario where a unit starts up 100 times
16 per day. I am not sure what the
17 consequences of that would be.

18 MR. ANDERSON: Is there any limit to
19 the amount of time that it would start-up?

20 MR. ROMAINE: We have not proposed to
21 place any limits in the permit. If we saw
22 that there were concerns for that, we
23 certainly could. I think the more
24 straightforward question is if one start-up

1 doesn't cause a problem, then it really
2 doesn't matter whether it starts up once or
3 five times or ten times in a day.

4 The concern for multiple
5 start-ups, again, is to the extent there are
6 slightly higher emissions during start-up we
7 want to minimize that. That adds to the
8 overall loading of emissions in the greater
9 Chicago area. And given the nature of these
10 plants, we don't see that there is a need
11 for them to normally start-up more than once
12 a day.

13 Our understanding based on the
14 demand for peak power, on one hand, is it is
15 a -- something that starts in the morning,
16 builds. So you should start once, operate
17 for the day, and turn down, turn off.

18 The other thing that we believe
19 is that given the nature of these plants
20 there is a certain wear and tear that is
21 exerted on the turbine when it starts up. I
22 don't know what the number is. But a
23 start-up is the equivalent of twice as many
24 normal operating hours.

1 So the more start-ups you have,
2 the more maintenance and repair you are
3 going to have to do. The fewer hours you
4 are going to operate before you have
5 maintenance and repair. So it is also in
6 their interest to minimize start-ups as
7 well.

8 We can certainly investigate the
9 additional requirements on that if we saw
10 that multiple start-ups within an hour would
11 pose a particular problem.

12 MR. ANDERSON: All right. I just
13 wondered if protecting the environment would
14 be more important than making money.

15 MR. SELTZER: That's -- I am going to
16 ask you to not answer that. Do not answer
17 that question.

18 MR. ANDERSON: Everyone answers within
19 their own heart.

20 MR. SELTZER: This is not --

21 MR. ROMAINE: I can answer that.

22 MR. SELTZER: I know you can answer
23 that. This hearing isn't designed for those
24 kinds of questions. I don't want to get

1 started with personal things.

2 MR. ROMAINE: It is not personal.

3 There are air quality standards that have to
4 be complied with. Economics do not enter
5 into compliance with air quality standards.
6 So the simple question if there are health
7 threats posed, economics doesn't enter into
8 it.

9 MR. SELTZER: Thank you. Next, David
10 Richards?

11 MR. RICHARDS: I appreciate talking for
12 a second here. John, I live right next to
13 the power plant. There is homeowners and
14 property owners. We have a farm there.

15 I don't know what effect your
16 plant or the two plants combined are going
17 to have on crops around the area, livestock.
18 Has any studies been done on that, what
19 happens; or can anybody answer if it has an
20 effect?

21 MR. ROMAINE: In terms of the
22 pollutants that we are dealing with,
23 protection of human health, the air quality
24 standards seem to be fully adequate to

1 protect crops. To my knowledge, there is
2 not any particular sensitive issues posed to
3 particular plant species; and certainly
4 protecting humans is adequate to protect
5 livestock.

6 MR. RICHARDS: Are we protected as
7 humans?

8 MR. ROMAINE: Yes. That's the point I
9 made in terms of this plant will not
10 threaten compliance with the air quality
11 standards.

12 MR. RICHARDS: I don't know. I am just
13 concerned with the air pollution we already
14 have from the landfills next to it when we
15 get an east wind. North Shore Sanitary
16 District, you smell like you got a dead
17 animal out there. I have often looked to
18 see if one of mine has died.

19 You know, I mean you talk about
20 air quality. And I am -- I hope that if you
21 do get your permit that we do have clean
22 air, and we are not going to have problems.
23 I guess I don't trust anybody anymore. I am
24 worried about the water supplies, which I

1 guess water has nothing to do with this
2 hearing.

3 I wish this hearing would have
4 been more open as far as your noise
5 pollution. I am worried about noise. I
6 know I am not supposed to comment on noise.
7 I hear model airplanes running. I hear
8 North Shore Sanitary District motors running
9 six days a week, seven days a week, these
10 model airplanes over at North Shore Sanitary
11 District.

12 Now, we are going to hear
13 turbines, jets. And like Mr. Aliason
14 (phonetic) sent me a letter when he was
15 putting in for the farm rights to the south
16 of you, sent me a letter, it is like a 747
17 engine running but seven times louder. I
18 mean, this is what he sent me. I am
19 supposed to like this?

20 MR. NOTCH: That's just not true.

21 MR. RICHARDS: That's all I got. I was
22 just kind of concerned about the crops and
23 livestock. We do farm there. We farm the
24 land you are going to be on. So just

1 comment, that's all. Thank you.

2 MR. SELTZER: Thank you much. Terry
3 Jacobs?

4 MS. JACOBS: Terry, T E R R Y, Jacobs,
5 J A C O B S. I believe I had asked for my
6 comments from last night to also relate to
7 this evening. So I won't repeat those.

8 A combination of questions and
9 comments, the Applicant early on referred to
10 downwash. I was wondering if you could
11 define downwash as you are using it. It was
12 within like the first five minutes. You
13 were discussing how the downwash had been
14 taken into consideration in addition to the
15 possibility of additional plants in the area
16 in making your calculation.

17 MR. MACAK: When you -- The EPA has a
18 term called good engineering practice stack
19 height which is basically if there is a
20 structure around or for the type of
21 structure we have here the calculation would
22 come out approximately two and a half times
23 the height of the tallest structure being
24 what's considered good engineering practice.

1 It could either be that height or up to 213
2 feet, which is 65 meters.

3 No one wants to have a 213-foot
4 stack if you don't have to have it. So if
5 you go with the shorter stack in comparison
6 to the rest of any structures on the site,
7 the EPA approved dispersion model evaluates
8 the effects of buildings and wind passing
9 over the buildings and how it might effect
10 the emissions coming out of a plume.

11 That's something that is called
12 aerodynamic downwash. That is considered in
13 the modeling. And it is under periods where
14 there might be higher wind speeds. We model
15 five years of meteorological data, of hourly
16 data; and there is periods where there is
17 pretty high wind speeds during that five
18 years.

19 What it does is if you model
20 downwash and throw in a plume down to the
21 ground and would result in some higher
22 numbers, that is something that is
23 considered in the study. And we consider
24 the effects of structures in the modeling

1 analysis, and that is just following the EPA
2 protocol.

3 So there is no mandatory stack
4 height. We can pick whatever height we
5 want. But you don't want to go so short
6 that it is below the top of a building. You
7 want to get the plume up above the
8 structures. But we are not at the point
9 where we can ignore building effects. So we
10 do model that. Was that a good enough
11 answer?

12 MS. JACOBS: Sure. Now, for you,
13 downwash, am I correct, that sounds like it
14 is referring just to how it applies to the
15 stack height? Does that have anything to do
16 with the emissions in the area and how it
17 affects the emissions that are in the area,
18 where these emissions go or other emissions
19 coming into our area, this area?

20 MR. ROMAINE: Well, maybe the point is
21 that downwash affects the degree of
22 dispersion that is assumed from a stack. If
23 there is no downwash, it is assumed that the
24 stack works perfectly. The more downwash

1 there is, the more assumption is that some
2 of the emissions get brought to the ground
3 sooner.

4 MS. JACOBS: So it is --

5 MR. ROMAINE: So in that sense, it is a
6 factor that deals with modeling stack
7 emissions. And you have to evaluate a stack
8 and decide in what particular directions and
9 how bad the downwash is in those directions
10 under certain wind conditions. That's
11 something that the computer models do.

12 MS. JACOBS: So that's relative to the
13 performance of the stack itself; is that
14 correct?

15 MR. MACAK: The dispersion.

16 MR. ROMAINE: That's correct, the
17 dispersion that's provided by the stack.

18 MR. MACAK: It does not change the
19 emission rate coming out of the stack.
20 Those numbers are the same.

21 MS. JACOBS: Okay. If for just a
22 minute then, considering several times this
23 evening I know there were comments regarding
24 cumulative air emissions. As these are

1 looked at, are they looked at taking into
2 consideration all of these new plants that
3 have been brought on board in addition to
4 everything we are currently getting downwind
5 from us?

6 MR. ROMAINE: The simple answer is yes.
7 You have to specific -- select which other
8 plants you are looking at. In this
9 particular facility, we looked at the SkyGen
10 facility. I believe we looked at the
11 Waukegan Power Plant, the existing power
12 plant, and then the Pleasant Prairie Power
13 Plant.

14 For other facilities, they were
15 addressed by selection of the ambient
16 monitoring data; and it is assumed that that
17 background ambient monitoring site
18 adequately accounts for other emissions
19 sources.

20 MS. JACOBS: What was the date of the
21 ambient monitoring data that was used for
22 this plant? Is that sometime since the
23 addition of the peakers that have been
24 permitted recently, which it seems to be a

1 rather large number to me?

2 MR. ROMAINE: I think you are correct
3 that that background data, in fact, would
4 proceed operation of peaking plants. On the
5 other hand, I think the background data --
6 we will have to look at it. It may, in
7 fact, be from a conservative location.

8 In any event -- I am getting
9 confused -- I believe the Zion facility used
10 a background site at CTA station downtown.
11 Certainly the concentrations there would be
12 much higher. There is a background number.
13 I don't recall which site you used as a
14 background number, John.

15 MR. MACAK: I think one was in
16 Northbrook -- Schiller Park. I am sorry.

17 MS. JACOBS: How far away is Schiller
18 Park from here, do you know; and why was
19 that one selected?

20 MR. MACAK: It is the closest location
21 to the Zion area, and it is a higher number
22 than you would experience over in Zion. So
23 it is a more conservative number. It is
24 also in a more heavily populated area than

1 where that number is taken.

2 MR. ROMAINE: I'd certainly confirm
3 that. We could have looked harder to
4 perhaps find a more representative number
5 that was lower. But Schiller Park, given
6 its location near O'Hare Airport -- and I
7 shouldn't just focus on O'Hare but the
8 tollways that coincide there, the amount of
9 traffic and industrial activity in that area
10 -- certainly more intensely developed should
11 bear much higher concentrations than are
12 experienced here.

13 MS. JACOBS: My comment portion during
14 the Illinois Pollution Control Board
15 hearings, I would hope there might be a
16 suggestion I guess maybe from me perhaps if
17 not from yourselves that to have some
18 ability to be able to more accurately and
19 definitively define what the range of
20 pollution might be in the area on any given
21 day based on all the possibilities of
22 however many plants this was that you listed
23 before. I think it is Chad mentioned having
24 100 -- one plant start-up 100 times. It is

1 quite feasible at some point we could have
2 50 and possibly 100 plants starting up just
3 one time but all at the same time on the
4 same day all affecting the same airspace.

5 I would think that might have
6 something to do with the air quality at that
7 given point in time when -- which would be
8 the time this plant would probably also talk
9 about operating. It would be nice if there
10 were some capability to figure that in. Is
11 that something that is even possible to do?

12 MR. ROMAINE: As part of our
13 preparation for the board hearings, we are
14 trying to put together some additional
15 modeling that would evaluate the regional
16 effects of these plants on ozone air
17 quality. That's the type of effect that
18 this type of scenario you described would be
19 involved in.

20 Otherwise, in terms of what
21 these plants are doing, it is really a local
22 effect. So certainly there could be a
23 concern in this particular area because you
24 are near Pleasant Prairie. You have two

1 plants near each other plus Waukegan. That
2 isn't far away. What is the combined impact
3 of those fairly closely located plants on
4 local air quality?

5 But we would not expect there to
6 be sort of an interaction on local air
7 quality, for example, in the Zion, Waukegan
8 area with facilities in Will County or
9 DuPage County.

10 MS. JACOBS: Okay. Am I correct that I
11 heard you in response to a question from
12 this lady here early on that you were
13 suggesting they look at the Elwood plant
14 figures. You were equating start-ups to the
15 Elwood facility. You still feel that
16 facility is comparable?

17 MR. MACAK: For the 7FA, yeah,
18 definitely, they are virtually identical.

19 MS. JACOBS: Okay. As a novice in this
20 area, I am just wondering is anyone looking
21 at -- since there seems to be a propensity
22 of peaking facilities looking to locate in
23 the same area. I know the lines here can
24 probably handle a lot coming from the

1 nuclear power plant. But I am just
2 wondering is anyone taking a look at what
3 the local lines can handle, or is that
4 strictly left up to ComEd to determine that?

5 MR. ROMAINE: That's certainly not
6 something that our Agency addresses. On the
7 other hand, I know that the capacity of the
8 Zion plant was 2,000 megawatts
9 approximately. So there certainly -- once
10 you can get connected to that transmission
11 line, there is capacity; but that is my
12 general knowledge. That is not an
13 environmental issue. You can disregard that
14 if you want.

15 MS. JACOBS: Okay. In regards to a
16 testing question, it was asked is a testing
17 done -- the testing is done at the
18 Applicant's expense; am I correct?

19 MR. ROMAINE: That is correct.

20 MS. JACOBS: Okay. Has not the
21 Illinois EPA required automobiles to undergo
22 regular testing at an approved EPA site to
23 determine if our individual automobiles meet
24 specifications on a regular basis?

1 MR. ROMAINÉ: We have complied with the
2 Clean Air Act requirement, and that sort of
3 program has been established in Illinois.
4 We like to share that responsibility with
5 the USEPA.

6 MS. JACOBS: Why is it done that way?
7 It is at an approved EPA site, is it not?
8 We can't just go to the place of our choice
9 and request an independent monitor to give
10 us a reading on our car, and then we just
11 send that on to you that Joe from the garage
12 down here who has a machine that can do that
13 says it is okay, and here is a copy of that.
14 We are not allowed to do that I don't
15 believe.

16 MR. ROMAINÉ: That is certainly not
17 correct. I am not in a position to explain
18 why that is. I am sure there is a lot of
19 history to it, and that is something we
20 would have to provide as part of our
21 response in the summary.

22 MR. SELTZER: You are probably familiar
23 with auto emission testing?

24 MS. JACOBS: Uh-huh.

1 MR. SELTZER: That's all fed into the
2 Secretary of State. So if Joe Blow could do
3 the auto testing at his gas station, he
4 would have to tie his computer system into
5 the Secretary of State's computers.
6 Thousands of people would then have to be
7 tied into the Secretary of State's
8 computers, and that's just impossible.

9 MS. JACOBS: Right. I guess I am not
10 requesting that we change the system for my
11 car. I think it is a pretty good system. I
12 am glad that someone is taking a look at it,
13 but I don't think the emissions of my
14 individual car are anywhere near the
15 emissions of this particular plant.

16 And I would just hope that the
17 EPA looking so closely at my one individual
18 automobile could arrange some kind of
19 testing that they would have more purview
20 over than what is currently done. If I am
21 correct in my understanding that the
22 Applicant can hire a consultant, would that
23 be a correct understanding to come in and do
24 the testing; and it is at their expense and

1 then --

2 MR. ROMAINE: That is correct. There
3 are established methodologies that have to
4 be used. There are specific consulting
5 firms that specialize in testing. They are
6 required to notify us of the test. We have
7 the ability to observe the tests and make
8 sure they probably follow USEPA methodology.
9 But this activity is conducted by a
10 contractor that is hired by the company at
11 their expense.

12 I think the one advantage that I
13 would point is what that means is that when
14 there are test results that fail, and we do
15 get test results that fail, we are not put
16 in a position of having our testing
17 challenged. The test results when a source
18 fails a stack test are pretty will given
19 that this is the testing firm you hired. He
20 did an appropriate job. His results show
21 you are not operating properly.

22 MS. JACOBS: I may misunderstand how my
23 tax dollars are used, but I would much
24 prefer to err on the other side of it where

1 the EPA is looking to find those that
2 actually might not qualify where you maybe
3 do have to be challenged on those numbers
4 and prove those numbers. And it might be
5 more expensive in the short run than at the
6 risk of something might get by, go
7 unnoticed, and not be looked at as closely
8 as it might be under your purview, just my
9 own comment.

10 Then just a couple things on the
11 Illinois Environmental Protection Agency
12 website. There is an environmental progress
13 as current as Summer 2000, peaker plants
14 generating high public interest, Director's
15 viewpoint, which would be Thomas Skinner,
16 where he quotes, in recent months several
17 peaker plants which I think the number you
18 gave us which is recent is -- qualifies as
19 more than several. Would you agree?

20 MR. ROMAINE: Yes.

21 MS. JACOBS: The only reason I mention
22 that is to make notice of just how quickly
23 this industry is coming forth and how
24 quickly they are changing. As you also

1 mentioned, the applications for new, the
2 applications for combined-cycles, and the
3 applications now that manufacturing
4 facilities are proposing for combined-cycles
5 and the coal-fired plants now wanting to add
6 peaker plants to their facilities. So not
7 only is it more than several, but it is I
8 think 'cause I go on much different from
9 what he is talking about here which was
10 accurate Summer 2000 which we are not quite
11 through with yet.

12 He described peaker plants as
13 relatively small electrical generating units
14 that use natural gas fuel turbines. We now
15 know that some of them are actually asking
16 for oil as backups and other -- substances
17 other than natural gas. They have been
18 proposed for locations in various parts of
19 Illinois. They have been nicknamed peaker
20 plants or peakers because they generally
21 operate only during periods of high electric
22 demand when their power can fetch relatively
23 high prices as a supplement to power
24 produced by larger, full-time baseline power

1 plants.

2 Again, I think we are hearing
3 more and more. This is more -- it pertains
4 to this permit. But also cumulatively I
5 think we are finding many that plan on
6 operating on a daily basis and not just
7 during our summer months and our hot
8 periods. We may find our hot ozone periods
9 extended due to the fact that neighboring
10 area within our same grid system is having a
11 hot -- hotter weather than what we are just
12 after or just before what is our normal hot
13 weather.

14 Later on it talks about a number
15 of those areas are in northern and western
16 Chicago suburban areas, sometimes near
17 residential areas. The proposed
18 introduction of these facilities has
19 prompted various vocal concern and
20 opposition among some folks who live near
21 them, particularly in Lake, McHenry, and
22 DuPage County.

23 It then says what does all this
24 have to do with the Illinois EPA. It talks

1 about the Illinois EPA specifies and limits
2 the amounts of regulated air pollutants they
3 can put into the air and how the hours
4 during which the peakers proposed to operate
5 are limited.

6 Some citizens have expressed
7 concern that because the emissions from
8 these plants would be concentrated during
9 the summer months rather than over a
10 twelve-month period applying the annual
11 minor source limits might be a loophole in
12 the federal regulations. I tend to see it
13 that way myself. He explains how the USEPA
14 responded that we were using the correct
15 approach. I think we can do better. We
16 know better. We can do better.

17 Further on he says NOX emissions
18 from peakers as well as other sources will
19 be subject to significant additional
20 reductions in the near future as we work to
21 reduce Illinois' contribution to smog
22 formation in other states. I am asking you
23 how will this be done by the EPA,
24 specifically the NOX emissions from the

1 peakers.

2 MR. ROMAINE: Well, what's being
3 referred to is the NOX SIP or NOX budget
4 ruling making proposal that is currently
5 before the board. It puts -- proposes to
6 put into effect the USEPA's budget for NOX
7 emissions from power plants in Illinois and
8 is something that other states are doing as
9 well.

10 Peaker plants would be part of
11 the budget. They would have to obtain
12 allowances for their emissions. And as a
13 result, the overall emissions of power
14 plants in the state would go down.

15 In terms of specifics, would
16 there be specific items that would require a
17 particular power plant to reduce its
18 emissions? Not under that proposal. What
19 that proposal would, however, do is provide
20 a very definite incentive for a power plant
21 to minimize its emissions of NOX below other
22 established limitations to minimize the
23 number of allowances that it has to obtain.

24 MS. JACOBS: I know. I read that as

1 NOX emissions from peakers will be subject
2 to significant additional reductions in the
3 near future. I am just -- Again, I am
4 wondering just what the implementation
5 procedure is for that. It sounds like is it
6 just peakers.

7 How do we do that with
8 individual peakers? What is the procedure
9 in place? What you are telling me sounded
10 more like a grouping, an average.

11 MR. ROMAINE: To be honest with you, I
12 think that sentence was probably a little
13 bit overly broad; and we could have been a
14 bit more accurate clearly. The bulk of the
15 reductions we are looking for are coming
16 from the coal-fired power plants. Those are
17 the folks that are going to have to make
18 drastic reductions in their NOX emissions.

19 In terms of peaker plants, the
20 question of what they are going to have to
21 do is really going to be an economic
22 question. As I said, they are going to have
23 to get allowances; and it is going to be
24 more advantageous for them to buy

1 allowances, which means that a coal-fired
2 power plant somewhere has to reduce its
3 emissions to be more advantageous to operate
4 its advanced burner systems a little bit
5 more tightly.

6 MS. JACOBS: Okay. Right after that it
7 says we constantly review the standards
8 applied to peaker plants to ensure their
9 adequacy, and you have our commitment that
10 we will continue to do so. I know what went
11 into getting the Illinois Pollution Control
12 Board to take a look at this peaker issue in
13 general in broad scope. They will be
14 looking at it soon.

15 If that -- That appears to me to
16 be the best look that the peakers are going
17 to get. Correct me if I am wrong. It seems
18 that this look and what was required to
19 request it doesn't qualify as constantly
20 reviewing.

21 Is there something I am missing
22 that is being done to constantly review the
23 standards applied to peakers to ensure their
24 adequacy and your commitment to continue to

1 do so? Is there something I am missing?

2 It sounds like there should be
3 an ease in process. And if there was
4 something brought to light that maybe was a
5 good suggestion, go uh-huh, maybe we should
6 take a look at this, that since you can look
7 at it on a constant basis there would be a
8 procedure in place to do it with more
9 immediacy and with greater ease than what is
10 currently required to get the Pollution
11 Control Board, which as I understand it is
12 your policy making arm of which you have no
13 direct link. I think that's what I came
14 away with yesterday.

15 Is there a process I am not
16 aware of, or is this maybe not as constant
17 or as easy as it seems to read?

18 MR. ROMAINE: I am not sure exactly
19 what was being referred to. I can certainly
20 say that in terms of going through the
21 permitting process, each peaker is reviewed
22 based on the wisdom and experience we have
23 gained in previous projects. So that could
24 be what's referred to.

1 In terms of, for example, the
2 additoin of the notification requirement of
3 emissions exceeded 160 tons, that is a new
4 requirement that's been added; and we are
5 trying to put in peaker plants unless we
6 miss them. Then we will get it in when we
7 get comments, which is why we have comments.

8 So I certainly can say in terms
9 of the permitting process it isn't static.
10 When there are things that we can do in
11 permitting to address concerns, we try to do
12 them. We added public notice.

13 Even though these are minor
14 facilities, we have added requirements for
15 modeling. I think our modelers are getting
16 more rigorous in terms of what they are
17 requiring of folks. We are adding
18 requirements for start-up emissions. We are
19 tightening down on some of the provisions.
20 And I think you will find some, if this
21 permit were issued, some additional
22 requirements in this permit with regard to
23 testing 'cause I can certainly see that
24 there is the potential for a conflict of

1 interest between the person who has prepared
2 an application and the person who does
3 testing.

4 That's something I will take
5 back with me and say, Attorney, if I put
6 this provision in a permit that would
7 prevent Mostardi and Platt from doing
8 testing for this facility, is that something
9 you think we have reasonable basis. And he
10 may be shaking his head, but I have a
11 feeling my attorneys would say that would be
12 appropriate. And we could certainly then
13 say in the future we need to have conditions
14 that generally prohibit people that have
15 been associated with the preparation of an
16 application being involved in the subsequent
17 testing.

18 That is certainly your point
19 about testing and independent. We do want
20 to make sure that we are getting as unbiased
21 measurement. And even though I don't have
22 any particular concerns about the firm of
23 Mostardi and Platt from my experience --

24 MS. JACOBS: I understand.

1 MR. ROMAINÉ: -- the potential exists.
2 And it is something we can take a reasonable
3 step to prevent anything occurring with that
4 potentiality.

5 MS. JACOBS: Just to clarify that
6 point, I intended my point to go beyond just
7 the scope of this one Applicant but that as
8 you find that something like this -- my
9 personal opinion is that I think the EPA
10 should be involved personally in all testing
11 at a closer level, have more authority over
12 it. If there are two firms you work with or
13 five firms you work with, maybe it be at
14 their expense.

15 You know when the testing date
16 is supposed to occur. Or they have
17 something that triggers that they notify you
18 within a certain time. Perhaps someone that
19 goes out and does monitoring at one of the
20 firms you have okayed. Then they send the
21 data directly back to you.

22 That would just be my own
23 personal comment. It seems like something
24 that is done in many other businesses that

1 would apply here as well.

2 For my clarification, what
3 additional items would be considered under a
4 major source as different from a minor
5 source on a construction permit? What
6 things might be looked at more closely?

7 MR. ROMAINE: If this were a major
8 source, there would, in fact, be a
9 determination whether or not this proposal
10 would qualify as best available control
11 technology. There could be requirements
12 similar to the Zion project that there be,
13 for example, 9 PPM NOX on an annual basis.
14 So certainly the technology requirements
15 could be somewhat different, slightly
16 different, significantly different depending
17 on what was proposed by an Applicant.

18 The modeling would be
19 essentially the same. What we have
20 determined is that we have sufficient
21 authority to require people to do modeling
22 as if they were PSD sources. Even if we
23 don't have authority, we are not getting
24 challenged on it. So we are getting away

1 with that.

2 Then the final point, a PSD
3 application, there is a provision for
4 administrative appeal to the USEPA. So
5 there is a different appeal process that is
6 in place for a PSD permit as compared to a
7 state permit.

8 MS. JACOBS: And the 250 tons that's
9 required here in Illinois to be considered a
10 major source, is that something that is
11 uniform throughout the surrounding states if
12 someone were to be asking for a construction
13 permit? Is that something that is uniform
14 that 250 tons is considered a major source?

15 MR. ROMAINE: In terms of the
16 implementation of the PSD rules, it is
17 uniform. No states have different form of
18 PSD. There are certainly states, I believe
19 Indiana is one that does have a state based
20 BACT requirement that has a lower visibility
21 threshold than the federal PSD program.

22 MS. JACOBS: Do you happen to know why
23 that might be?

24 MR. ROMAINE: I don't know whether that

1 was something that was developed by their
2 legislature, or was it a regulatory matter.
3 I don't know.

4 MS. JACOBS: It is my understanding
5 that the NOX Waiver exempts Illinois from
6 the restrictive NOX standards that results
7 from our being severe non-attainment area.
8 And that without that the threshold would be
9 25 tons; is that correct?

10 MR. ROMAINE: That's correct. The
11 point about the NOX Waiver though is that
12 NOX Waiver was jointly pursued by Illinois,
13 Indiana, Michigan, Wisconsin. That NOX
14 Waiver applies in all of the Lake Michigan
15 states. And, again, it only applies in
16 non-attainment areas. It doesn't have any
17 effect on areas that are not in
18 non-attainment.

19 MS. JACOBS: We are not in
20 non-attainment, severe non-attainment?

21 MR. ROMAINE: Yes. The Chicago
22 metropolitan area is designated severe ozone
23 non-attainment.

24 MS. JACOBS: The intent of that NOX

1 Waiver was to, because we are severe
2 non-attainment, in some way improve our air
3 quality at what was considered a rather
4 speedy rate relative to other things?

5 MR. ROMAINÉ: No. The purpose of the
6 NOX Waiver was to prevent us from having to
7 take actions in terms of only controlling
8 NOX emissions in the non-attainment area
9 that would have, in fact, increased ozone
10 concentrations. That if we had taken those
11 actions, as we otherwise might have been
12 required to do under the Clean Air Act, the
13 ozone problem in Chicago, in most of Chicago
14 would have gotten worse.

15 MS. JACOBS: So do I understand that it
16 gives us greater control of the surrounding
17 states, not necessarily greater control
18 within our own state or greater -- the
19 ability to enforce tighter controls because
20 in the layman's understanding at least if
21 you are already severe non-attainment lower
22 is better?

23 MR. ROMAINÉ: I agree in terms of
24 layman's understanding. Ozone is a

1 difficult pollutant in that regard. I guess
2 I go back to the general point that ozone in
3 the upper atmosphere is good. Ozone in the
4 lower atmosphere is bad.

5 It is sort of the same approach
6 to NOX emissions. NOX emissions in the
7 non-attainment area, their immediate effect
8 is, in fact, lower ozone levels. Their
9 secondary effect is to increase ozone
10 levels.

11 The point of that is that a more
12 effective strategy to lowering ozone levels
13 in the Chicago area is to go after regional
14 controls on NOX emissions, not just local
15 controls. And that's the type of proposal
16 that we have put forward to the Pollution
17 Control Board. And, in fact, USEPA has
18 required as part of their NOX budget which
19 applies I think to 22 or so Midwestern
20 through eastern states that to solve the
21 ozone problem for this broad region we need
22 to get NOX reductions throughout the region
23 and not simply focus in on getting NOX
24 reductions in the non-attainment areas.

1 MS. JACOBS: Would areas south of us,
2 downwind of us be considered within our
3 region, not necessarily another state but
4 still within our region, still within our
5 air shed, still within an area that wouldn't
6 immediately help the air but appear downwind
7 of those that are south of us would be
8 turning into NOX? In our area that are
9 still coming from within our state, not from
10 outside the state, would that not still be
11 within our region?

12 MR. ROMAINE: That's an interesting
13 point. I am not sure I follow the question
14 exactly. But as I said, the NOX Waiver only
15 applies in the non-attainment area. It is a
16 non-attainment area type provision.

17 One of the consequences of the
18 NOX Waiver is, in fact, apply consistent set
19 of regulations throughout most of Illinois.
20 There isn't any particular economic
21 advantage in terms of permitting to develop
22 a peaker plant in let's say Kankakee County
23 or De Kalb County, that sort of artificial
24 line that distinguishes an attainment area

1 from a non-attainment area. The plants are
2 being placed based on other reasons.

3 And certainly if somebody
4 proposed a plant in Kankakee County as
5 compared to putting it in the non-attainment
6 area itself, the consequences would be
7 different given the nature of the way the
8 NOX behaves. That certainly a peaker plant
9 in Kankakee County may, in fact, have more
10 of an impact on the Chicago air quality and
11 ozone levels experienced in Chicago than a
12 peaker plant proposed in Illinois.

13 And in that regard, the way the
14 program has been developed and the basis has
15 been used, it's been determined that
16 facilities like the Pleasant Prairie Plant
17 don't involve -- don't effect ozone problem
18 in Chicago at all; and they are completely
19 off the hook. So it is a very complex issue
20 in terms of deciding which plants we need to
21 roll back their emissions and which plants
22 really their emissions don't affect the
23 ozone problem significantly.

24 MS. JACOBS: Would it be fair to say

1 that there are peakers that have been
2 permitted since they showed up in Illinois
3 that do affect the air quality within our
4 region?

5 MR. ROMAINÉ: Certainly there are
6 plants that I would have to say contribute
7 to Chicago's air quality, yes.

8 MS. JACOBS: Given that we are a severe
9 non-attainment area, would it not be better
10 from any standpoint to have the ability to
11 approve a plant at a lower tonnage than at a
12 higher tonnage? I mean, being the EPA,
13 would you not prefer to see that. Rules and
14 regulations aside, what current policies
15 are, I understand all those disclaimers. I
16 mean, would we not see attainment sooner if
17 we were able to do that in a perfect world?
18 I'm done.

19 MR. ROMAINÉ: A lot of questions in
20 there. In terms of getting to attainment, I
21 think, as I said, we need to get reductions
22 in the coal-fired power plants. That's
23 where we are putting in our efforts at
24 getting new regulations in place.

1 In terms of changing ozone air
2 quality, the experience of our modelers is
3 that these peaker plants, given their
4 relatively small emissions, aren't going to
5 significantly affect emission.

6 When you say effect, yes, there
7 is an effect. How big that effect is, our
8 modelers would say you can't see that effect
9 given all the other emissions that are going
10 on.

11 So on that basis, the approach
12 that's been taken is the gold one is to get
13 the NOX reduction program in place that
14 addresses the overall emissions that are
15 contributing to the problem. That's the big
16 picture, and that's what we are focusing on.
17 And we are going after power plants that
18 emit tens of thousands of tons of NOX per
19 year and that have drastic impacts not
20 only -- well, I shouldn't say -- that
21 contribute to acid rain, fine particulate
22 matter formation that have a number of
23 impacts that are of concern beyond simply
24 impact on ozone. And in terms --

1 MS. JACOBS: And --

2 MR. ROMAINÉ: -- of your other point,
3 you are certainly entitled to your opinion.
4 I hope you express that to the Pollution
5 Control Board.

6 MS. JACOBS: Okay. May I ask what your
7 personal opinion would be of would lower not
8 be better? And even in your given position
9 with the EPA, would lower not be better for
10 the attainment area?

11 MR. SELTZER: I would -- I am going to
12 ask Chris not to answer that question. We
13 are going to go off the record because we
14 are not going to start giving our personal
15 opinions.

16 MS. JACOBS: In his position with the
17 EPA, would lower not be better? Was there
18 something bad about lower? If it is
19 attainable, it sounds like from the hearings
20 that I have attended there are lower
21 possibilities available.

22 MR. ROMAINÉ: Well, I guess you asked
23 two questions then. The first answer is no,
24 I can't answer that. I do not have the

1 experience to know overall what is the best
2 thing. It is very difficult to know what is
3 the best. All I know it is not an
4 unreasonable approach to go after the big
5 picture.

6 In terms of the issue of having
7 something better, certainly it would be
8 better if people could figure out a way to
9 live without air-conditioners so we didn't
10 need peak power. There are a lot of things
11 that could be better.

12 In terms of supplying peak power
13 in Illinois, we are dependant upon the
14 marketplace. And peaking power plants seem
15 to be a fairly efficient way, fairly
16 economical way to supply that power. I am
17 not saying it is not -- certainly it is not
18 saying that this is the right plant or that
19 any of these are the right plants or they
20 couldn't be put somewhere else overall.

21 But the general technique that
22 is being used across the country to meet
23 this particular power demand is to put in
24 plants that are specifically being used for

1 that purpose. So it isn't an unusual or a
2 strange thing. Only if Illinois was ending
3 up with power plants, I could be concerned;
4 but that isn't the case. Peaker power
5 plants are being proposed throughout the
6 midwest wherever there is this demand for
7 power.

8 MS. JACOBS: That brings up my other
9 point which I returned to just in comment to
10 that last, I am of the personal opinion just
11 based on what I have read and heard that
12 Illinois does seem to have more than most of
13 the surrounding states; is that correct?

14 MR. ROMAINE: That's certainly correct.
15 Illinois also has the largest major
16 metropolitan area than other states. I
17 don't want to be argumentative, but it
18 doesn't surprise me.

19 MS. JACOBS: But given the statement
20 that the Applicant made earlier
21 quote-unquote, we stayed below 250 tons per
22 year to stay below major construction
23 source, clearly there is an incentive.
24 There's a reward. There's allowances that

1 are available here in Illinois that might
2 not be available in another area given the
3 same grid system that could be served in
4 some place else.

5 This probably is the best place
6 from a business standpoint if I were the
7 Applicant to come in. This seems to be --
8 allow me the greatest -- I mean 250 tons. I
9 can make my figures come out so I am just
10 below the 250 tons to stay below a major
11 source. Would you agree there is -- this
12 seems to be -- we stayed below 250 tons per
13 year to stay below major construction
14 source.

15 MR. ROMAINE: I agree. The statement
16 speaks for itself.

17 MS. JACOBS: Okay. So might there
18 possibly be a way of achieving the results
19 that you and all the rest of us want
20 achieved through the NOX Waiver by bringing
21 the emissions of the higher emitting sources
22 down but still not giveaway the store to
23 everything new coming in as a -- couldn't we
24 not under some way, shape, or form -- the

1 Illinois Pollution Control Board is probably
2 where this needs to go.

3 But do you not see it as
4 possible and possibly an improvement if we
5 were able to control emissions to be lower
6 than 250 tons as a number of other states
7 are able to do while trying to bring our
8 severe non-attainment zone down and still be
9 able to give some allowances while the
10 others come into line?

11 MR. ROMAINE: A couple points, the 250
12 ton number does not prevent plants going
13 with major sources. Certainly SkyGen has
14 proposed and they have complied with the
15 regulations at more than 250 tons per year.

16 To be honest with you, the
17 problem is existing sources. The NOX Waiver
18 really gets the new sources off the table
19 and allows us to concentrate on existing
20 sources. Even if we didn't have peaker
21 plants, we would have to roll back
22 emissions. And that's, as I said, where we
23 have to in terms of achieving ozone air
24 quality get the tighter control

1 requirements.

2 MS. JACOBS: You said the current
3 standards are 20 years-old. You said, what
4 was it, 20 years ago -- I am just going on
5 the top of my head, which isn't always very
6 good -- 75 parts per million; is that
7 correct?

8 MR. ROMAINE: Yes. Except people are
9 proposing to use modern turbines that
10 achieve 15 PPM. And if they are subject to
11 BACT, they have to achieve 9 PPM on an
12 annual basis.

13 MS. JACOBS: Would you say that's
14 better than 75?

15 MR. ROMAINE: Certainly.

16 MS. JACOBS: And why would that be?

17 MR. ROMAINE: Because that's -- results
18 in lower emissions. That's what the
19 equipments can comply with.

20 MS. JACOBS: Lower emissions being
21 better than higher emissions?

22 MR. ROMAINE: Lower emissions being
23 better than higher emissions is also
24 consistently available technology and

1 techniques.

2 MS. JACOBS: The best available control
3 technology?

4 MR. ROMAINE: I am not saying that.
5 That's pushing it to the further point.
6 With the technology that is certainly
7 common, turbines from General Electric can
8 achieve.

9 MS. JACOBS: Thanks. I don't want to
10 keep anybody here any longer. I know you
11 understand my point. I will make it in the
12 perhaps more appropriate place. But for the
13 record, I wanted it stated here also.

14 I would appreciate if the
15 Illinois EPA could have the best available
16 for Illinois in particular since we are a
17 severe non-attainment area and not the best
18 available as pertains to one turbine and
19 what product is available or a separate
20 turbine and what's available for that one.
21 What is the best. That's a little separate
22 from the point I was making before.

23 But I would also like them to be
24 able to require the lowest possible

1 available. Twenty-five tons, if that's what
2 other states are able to enforce, I don't
3 see any reason why Illinois can't ask for
4 that also and still achieve the goals you
5 want.

6 I think procedures can put into
7 place. It might not be easy. It might not
8 be comfortable, but things can be done. And
9 I don't think it is out of line to request
10 that or to expect it. And I know the
11 Illinois EPA is capable of doing it if it is
12 motivated to do so.

13 MR. ROMAINE: Certainly if applicable
14 regulations provided for BACT to be imposed
15 at a lower emissions threshold, we would
16 fully carry out that requirement.

17 MS. JACOBS: Okay. Is it possible
18 that --

19
20 (After a brief interruption,
21 the proceedings resumed as
22 follows:)

23
24 MR. SELTZER: Okay.

1 MS. JACOBS: To me, it seems obvious
2 that it would be better to be able to have
3 tighter controls. Be it from a peaker
4 plant, an existing manufacturer, a
5 coal-fired plant. If they come up for ones
6 that people are using regularly for their
7 individual homes, lower would be better. I
8 will leave it at that. Thank you.

9 MR. SELTZER: Thank you. That's the
10 last of the sign-in cards. Is there anybody
11 else at this time that would like to make a
12 comment or ask a question? Yes. Please
13 identify yourself.

14 MR. PRESSL: My name is Lance Pressl,
15 L A N C E, P R E S S L. I am the democratic
16 candidate for Congress in the 8th
17 Congressional District. I didn't intend to
18 speak tonight. I came really to listen as I
19 have at the Bartlett hearings. But I feel
20 compelled to ask a couple of questions and
21 make a couple of points.

22 My first question is -- has to
23 do with a statement I think, Chris, you made
24 about if there was a violation of a plant.

1 I think you said that you have to evaluate
2 the situation before you institute it, any
3 kind of halting of the plant. I am not
4 quite remembering exactly what that was.
5 Could you elaborate, please, on what you
6 meant by that if you remember the comment?

7 MR. ROMAIN: Yes. When a violation
8 occurs, we want to know what was the cause
9 of it, is it going to be repeated, is it
10 readily corrected, is it difficult to
11 correct, what are the consequences of that
12 violation.

13 MR. PRESSL: Could you elaborate on
14 that specific point? I think you talked
15 about at one point you would have to look to
16 see what the demand was for electricity. I
17 think you alluded to something like that.
18 Is that true, or did I miss a period?

19 MR. ROMAIN: That was I think in a
20 slightly different context that I was
21 discussing that. I think that was in terms
22 of the annual emission limitations
23 discussing the 160 ton notification --

24 MR. PRESSL: Okay.

1 MR. ROMAINÉ: -- and certainly in terms
2 of that context, that is looking very
3 clearly at the overall effect of the
4 facility on regional air quality. And there
5 may, in fact, be some other reasons that
6 would also be appropriate with public policy
7 and consulting with the Attorney General's
8 Office that would justify their operation.
9 On the other hand, I may not still allow
10 them to operate without paying penalties
11 or --

12 MR. PRESSL: Would you consider demand
13 for electricity in making that decision?

14 MR. ROMAINÉ: This is getting very
15 theoretical. That is certainly a
16 possibility. In terms of a particular
17 facility, I think would have to be an
18 extraordinary situation where you would have
19 to say, well, this facility was the only
20 facility that was the difference between a
21 blackout and not. So I think it probably,
22 in that sense, it is probably not going to
23 be something that would be relevant to a
24 specific facility in those types of

1 circumstances.

2 MR. PRESSL: I won't belabor the point,
3 but you said later on that economics would
4 never drive EPA decision making.

5 MR. ROMAINE: I certainly agree with
6 that as well. The problem is --

7 MR. PRESSL: Is that an inconsistency
8 in those two points?

9 MR. ROMAINE: Absolutely not. The
10 problem is the people use electricity for
11 many things, traffic lights, refrigerators,
12 safety systems.

13 MR. PRESSL: Okay.

14 MR. ROMAINE: If it was simply a matter
15 of earning money for electricity, no; but
16 power shortages also have environmental and
17 public welfare consequences. I think you
18 are right that we certainly not be
19 attempting to evaluate something on an
20 individual facility basis.

21 But, again, these are the last
22 resort for power. If there were again -- I
23 don't know what the extraordinary
24 circumstances are. When you talk in

1 generalities, you have to consider there may
2 be that extraordinary circumstance we
3 haven't contemplated.

4 MR. PRESSL: I guess a second question
5 or point is -- again, I came here to listen.
6 And I was extremely disappointed that you
7 were unable to answer the question why there
8 was a difference between the application
9 number and the permit draft number on the
10 amount of gas, natural gas that would be
11 consumed. It seems to me such a fundamental
12 and such a simple question, and yet you were
13 unable to answer the question.

14 MR. ROMAINE: Do you want to attempt it
15 again, Manish?

16 MR. PRESSL: No. You didn't answer the
17 question, and the great citizen here was
18 trying to ask a question. It seems to me
19 that that's a question that you should have
20 the answer to, and there shouldn't really be
21 a difference in my mind.

22 MR. ROMAINE: I guess I can answer that
23 question a lot more easily, that we are
24 dealing with machines that operate

1 differently under different temperature
2 conditions. The nature of the turbine is
3 such that the colder the air, the more power
4 comes out. The hotter the air, the less
5 power comes out. So depending on the
6 assumptions that are made for operating
7 levels of the turbines, you can come up with
8 slightly different numbers.

9 Obviously, when Manish did his
10 calculations, he used slightly different
11 assumptions. And he is coming up with a
12 number in one case 5 percent higher and
13 another about 5 percent lower.

14 I certainly agree that we need
15 to get to the bottom of this. If they have
16 asked for a number that is lower than we
17 have calculated, I think we need to have a
18 good reason if we are going to make it
19 higher.

20 MR. PRESSL: The next point, while I
21 appreciate all of your patience for being
22 here and spending three plus hours here, I
23 do have to say, and this comes as being the
24 head of -- former head of the oldest

1 taxpayer government organization in the
2 country called Civic Federation, that some
3 of the behavior tonight aimed at citizens
4 speaking was totally inappropriate. Waving
5 of arms and slapping down your hands on the
6 table to intimidate or hush up testimony in
7 a public hearing is totally unacceptable;
8 and the fine people that received that
9 treatment probably wouldn't make mention of
10 it.

11 Let me ask you, if you were
12 testifying in front of the Senate
13 Appropriations Committee down in Springfield
14 would you behave that way?

15 MR. SELTZER: I don't have a gavel. So
16 I do that. My job here is to make a record,
17 cogent record that is applicable to the
18 issues. That's what I've been doing.

19 MR. PRESSL: Lastly, because of that
20 kind of behavior and because of your
21 inability to answer some of the most
22 fundamental questions, you probably heard
23 tonight a bit of a concern about your
24 credibility and believability and the

1 ability of you to protect the citizens on
2 these issues. They are very complicated
3 issues. I don't even profess to begin to
4 understand the complexity.

5 But it is because of those
6 things that I think that stir in the
7 citizenry real distress and a lack of faith
8 in the Agency's ability to manage our
9 environment. So I hope you will take those
10 into consideration. I do, again, appreciate
11 your spending all the time that you have
12 with us and listening to all of us speak;
13 but those are my questions and points.

14 MR. SELTZER: Thank you. Is there
15 anybody else? Yes, sir. Please state your
16 name.

17 MR. BRADEN: My name is Bob Braden,
18 B R A D E N. I would just like to make this
19 really brief because it is late.

20 But on Page 8 -- on Page 4 of
21 10, it states that each turbine shall be
22 equipped, operate, and maintain with a
23 continuous monitoring system to monitor and
24 record the fuel consumption 40 CFR 60- or

1 .324A. I don't understand how I can have a
2 gas meter on my house, and I can pay a bill
3 every month, and the gas company knows how
4 many cubic feet of gas I use every month.
5 And that same concept, simple as it may be,
6 cannot be applied to a peaker power plant
7 and how they would rather not conform to
8 that No. 8 paragraph on Page 4 of 10 and how
9 they would rather just go formulate the
10 number of tons of carbon monoxide and nitric
11 oxide they would pour into the air. That's
12 my statement and my question.

13 MR. ROMAINE: Okay. Well, easily
14 explained, this requires a fuel meter on
15 each individual turbine. Be it the same as
16 your having a fuel meter on both your
17 furnace, your water heater, and your stove
18 to separately measure the fuel consumption
19 by each unit. And, in fact, they are
20 required to measure the fuel consumption
21 unit by unit at the facility.

22 MR. BRADEN: Then what was the
23 discussion or the lack of agreement on the
24 number of pounds or number of cubic feet

1 per -- simply if there is a limit and the
2 limit is reached, then the turbine is shut
3 off.

4 MR. ROMAINÉ: That's correct. The
5 question is what is the limit. That limit
6 ties back to the emissions and the
7 assumptions that have been made in
8 calculating the worst case emissions that
9 then are used to set highest emissions that
10 are then used to set that limit on fuel
11 consumption.

12 MR. BRADEN: Then is the limit on the
13 tons of emission or the amount of the fuel?

14 MR. ROMAINÉ: Both.

15 MR. BRADEN: Which comes first?

16 MR. ROMAINÉ: Whichever one they get
17 close to first.

18 MR. BRADEN: Okay. Maybe -- I
19 obviously was confused, but thank you.

20 MR. SELTZER: Thank you. Is there
21 anybody else that wishes to make any
22 comments or ask any questions?

23 Okay. As we said at the
24 beginning, I have extended the comment

1 period in this hearing, contrary to what the
2 notice says, to September 15. That means
3 that any written comments that are submitted
4 to the Agency must be postmarked by
5 midnight, September 15, of the year 2000.
6 At the same time I will reiterate that the
7 Applicant has given the Agency another
8 waiver for final Agency action until
9 October 30, of 2000.

10 I want to thank you all for your
11 participation, and we will end this hearing
12 at 11:30. Thank you all.

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(Whereupon the proceedings
adjourned.)

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(The following are excerpts of
testimony given on 8/14/00
before the IEPA relating to the
Carlton Permit Hearing:)

MS. NANNINI: Sure. It is Candye,
C A N D Y E, last name, N A N N I N I. My
name is Candye Nannini. I am a trustee with
Newport Township.

We passed a resolution on
January 19, of 2000, opposing the siting of
the peaker plant in such close proximity to
our township; and I would like to present
the resolution to the EPA for your
consideration. I would also like this to
count for tomorrow night too. Should I give
it to you?

MR. SELTZER: If you give it to the
court reporter, I will ask the court
reporter to mark this exhibit as Public
Exhibit No. 1.

1 (The document referred to was
2 marked as Public Exhibit No. 1
3 for identification.)
4

5 MR. SELTZER: And I am also going to
6 request based on your request that the court
7 reporter include your comments of this
8 evening into the record of the comments
9 tomorrow night. That will also then be
10 introduced as an exhibit in the hearing for
11 tomorrow as Public Exhibit No. 1.

12 MS. NANNINI: Understood. Thank you.

13 MR. SELTZER: Loretta McCarley?

14 MS. McCARLEY: Good evening. My name
15 is Loretta McCarley, and I am a
16 representative --

17 MR. SELTZER: Spell your name, please,
18 for the record.

19 MS. McCARLEY: M C C A R L E Y.

20 MR. SELTZER: Thank you.

21 MS. McCARLEY: I am a representative of
22 the Lake County Board. I represent District
23 2.

24 I am here tonight to say that

1 back in December our Lake County Board did
2 propose that some legislation be adopted
3 regarding basically a moratorium. That
4 wasn't the words used, but it was to delay
5 any permits to be accepted until further
6 guidelines had been established.

7 I understand we are only dealing
8 with air quality tonight. However, I feel
9 that we have other concerns that,
10 unfortunately, are not within the guidelines
11 for permitting; and those were addressed in
12 the proposed legislation. I would like to
13 present this to you also.

14 Unfortunately, this proposal was
15 not supported by any of our legislators.
16 However, I feel the Lake County Board is
17 still -- all of us have these feelings
18 regarding the permitting process.

19 As far as the air quality
20 issues, I think one of the main concerns
21 that we have is that not only will this
22 be -- not only will we have this peaker
23 power plant but possibly two others. And I
24 have a question whether or not the

1 cumulative effects will be considered when
2 you are permitting individual plants. I --

3 MR. SELTZER: Let's hear the answer
4 first.

5 MR. PATEL: The other project you are
6 referring to is North Shore Power Plant,
7 which is not permitted yet. But we have
8 included the effects, emission effects of
9 that project into the modeling of this
10 particular project.

11 MS. McCARLEY: So is there a
12 possibility that all of these three power
13 plants could, in effect, be running at the
14 same time; and has that been worked out
15 because they are in such close proximity to
16 one another?

17 MR. PATEL: Yeah.

18 MS. McCARLEY: Yes?

19 MR. PATEL: Yes.

20 MR. SELTZER: Let me ask a question.
21 You indicated that there was a resolution or
22 a --

23 MS. McCARLEY: Actually, this was
24 proposed legislation.

1 MR. SELTZER: Proposed before what
2 body?

3 MS. McCARLEY: It was given to our
4 legislators, our state legislators, by the
5 Lake County Board requesting that this take
6 place.

7 MR. SELTZER: Did the Lake County Board
8 pass any ordinances relative to this matter?

9 MS. McCARLEY: Ordinances, no. This
10 was proposed legislation.

11 MR. SELTZER: But the Board itself has
12 the authority to pass ordinances. I am
13 asking if they passed any ordinances.

14 MS. McCARLEY: Ordinances for Lake
15 County?

16 MR. SELTZER: Yes.

17 MS. McCARLEY: No, we have not.

18 MR. SELTZER: Was this introduced to
19 the General Assembly? How far did it go?

20 MS. McCARLEY: It got as far as just in
21 the hands of our legislators. No one picked
22 it up for sponsorship.

23 MR. SELTZER: Okay. That will be
24 introduced into the record as Public Exhibit

1 No. 2.

2

3

(The document referred to was
4 marked as Public Exhibit No. 2
5 for identification.)

6

7

MR. SELTZER: Again, what we will do is

8

I will ask that your testimony be duplicated

9

for tomorrow night; and the exhibit will

10

also be part of the record for tomorrow

11

night's hearing as Public Exhibit No. 2.

12

MS. MCCARLEY: Okay. Thank you.

13

14

15

MS. JACOBS: T E R R Y, last name is

16

J A C O B S.

17

MR. SELTZER: Thank you.

18

MS. JACOBS: I was wondering if you

19

have room on the property to add additional

20

turbines. Many other plants have applied

21

for a second permit shortly after beginning

22

operation with the first. Do you have the

23

room, and what are your plans for expansion,

24

and how might that affect the air permit?

1 MR. KELLEN: Potentially we have the
2 room for additional turbines. However, we
3 have no plans for more turbines in the
4 future. In fact, although the application
5 is for five units, our expectation is that
6 only four units would be installed
7 initially. So our application covers all of
8 the expected development of the site.

9 MS. JACOBS: So you don't expect to
10 further develop the site?

11 MR. KELLEN: No, we don't.

12 MS. JACOBS: Okay. Does SkyGen plan on
13 selling by-products of the electrical
14 generation, such as steam to nearby
15 companies?

16 MR. SELTZER: I am going to ask that
17 we -- I will let you answer this question.
18 But we are getting way off field because
19 that has nothing to do with the parameters
20 the Agency has to look at when it decides to
21 issue or not to issue a permit. So let's
22 not go too far off field.

23 MR. KELLEN: We don't expect to sell
24 steam or the by-products from the unit.

1 That would generally be applicable for a
2 combined-cycle unit. But as a peaking unit,
3 that's not something that we would have
4 available to supply to other industries.

5 MS. JACOBS: Do I understand that you
6 do not plan to convert to a combined-cycle
7 or cogen plant as was implied by a newspaper
8 article recently? Was that incorrect in the
9 paper?

10 MR. KELLEN: We have no plans to
11 convert to a combined-cycle. I am not going
12 to say that it would be impossible to do
13 that in the future, but that is certainly
14 not something that is in our plans.

15 MS. JACOBS: Would it be appropriate to
16 continue to ask any further questions about
17 combined-cycle? I just have a couple.

18 MR. SELTZER: Let me confer.

19

20 (There was a discussion held
21 off the record.)

22

23 MR. SELTZER: Go ahead and ask your
24 questions one by one, and we will look at

1 each question.

2 MS. JACOBS: Okay. Since it is not
3 outside the realm of possibility that it
4 might someday be converted to a
5 combined-cycle plant, how many hours would
6 you perhaps run them then; and would you
7 anticipate some kind of a plume?

8 MR. SELTZER: No. That's way far off
9 field. You are posing a hypothetical, which
10 the Agency didn't look at and won't look at.
11 It is not part of the permit application.

12 MS. JACOBS: As far as if they were to
13 want to change this to combined-cycle
14 sometime in the future, would they have to
15 be re-permitted at that time through these
16 same types of procedures; or what would be
17 required?

18 MR. ROMAINE: Yes, they would. The
19 permit that we are proposing to issue is for
20 a peaking facility. It has provisions that
21 describe it as a peaking facility, and
22 certainly they would have to go back through
23 the permitting process to convert to a
24 combined-cycle facility.

1 MS. JACOBS: Since both the Illinois
2 EPA and the Applicant has brought up need
3 both prior to starting this and the
4 Applicant saying need would determine the
5 operating hours and the person who operated
6 the most economically would probably be
7 operating the most number of hours, the
8 need, it seemed to be rather implied that
9 the need would be local and Chicagoland
10 area; am I correct?

11 MR. ROMAINE: Well, let me first jump
12 in and say you suggested that we made a
13 statement that there was a need for this
14 particular facility?

15 MS. JACOBS: That the additional --
16 addition of peaker power plants in the area
17 was based on need for additional electrical
18 generating power; and by doing that, some of
19 the other entities that were currently
20 creating power for the area would have less
21 necessity to run such as the coal-fired
22 plants. I believe that was stated earlier
23 on by Mr. Patel. Maybe I misunderstood, and
24 then Mr. Kellen certainly in his

1 presentation when he first started mentioned
2 need.

3 MR. ROMAINE: Let me clarify. All we
4 said is that what peaking plants do is, at
5 the present time, they operate when there is
6 a demand for power, which at this point is
7 normally on hot summer weekdays. We did not
8 specifically address need as an absolute
9 concept. We were trying to just tell people
10 in general what a peaking plant has
11 historically done in Illinois.

12 MS. JACOBS: Okay. So you had shaken
13 your head yes, that you thought that that
14 would be to take care of the need in the
15 local area, that would contribute to your
16 operating hours, that would determine how
17 often you operated in this area, in the
18 Chicagoland area?

19 MR. KELLEN: I'll say when I was
20 talking about need in my presentation I was
21 talking about when you have certain
22 installed plants. Those plants are operated
23 in kind of an economic order. I don't
24 believe that I had any discussions about any

1 type of a need as far as how many plants are
2 needed and where the power is needed.

3 To try to answer that question
4 though, the reason that we are locating in
5 this area is as a result of a business
6 decision that there is a market for
7 additional electrical peaking capacity in
8 this area.

9 MS. JACOBS: This area being Zion,
10 Chicagoland area?

11 MR. KELLEN: That's correct.

12 MS. JACOBS: Okay. So could you tell
13 me how you are going to determine when this
14 particular area is in need of power since
15 the grid, it is my understanding, serves a
16 five-state region; and are your contracts
17 all local here with Zion and the Chicagoland
18 area and not anywhere outside of that area
19 for your power?

20 MR. KELLEN: This is getting a little
21 bit outside of my area, but we don't have
22 specific contracts at this time that
23 determined where the power would go. You
24 are right, it is a connected grid; and the

1 price of the power on the grid would
2 determine whether or not the plant operates
3 and where the power would go.

4 MS. JACOBS: So the power --

5 MR. SELTZER: Let me interrupt here.

6 These questions, they are not germane to
7 what the Agency is looking at unfortunately.

8 MS. JACOBS: Well --

9 MR. SELTZER: Let me finish, please.

10 MS. JACOBS: Okay.

11 MR. SELTZER: But they are probably
12 more than appropriate questions when there
13 is a hearing before the Planning Commission
14 or the Planning Board, whoever it would go
15 to for your local zoning because they can
16 look at those issues. You are raising
17 issues that the Agency doesn't look at. So,
18 therefore, it is not germane to our issuance
19 or denial of a permit or any special
20 conditions we may add to the permit.

21 MS. JACOBS: Good point. But I guess
22 assumptions are being made based on what the
23 need will be as to how many start-ups and
24 shut-downs there will be, and when there is

1 a local need, that they will be starting up
2 and shutting down more frequently.

3 Now, I think I heard him say
4 that it will be based on a need anywhere on
5 this grid, which to my understanding is a
6 five-state area. So the need could be out
7 of state. So the start-ups and shut-downs
8 could be much more frequent, and they won't
9 necessarily be early a.m. and early p.m. on
10 any particular given day. Some place else
11 outside of our weather area, I think they
12 said this, could have a need when we don't
13 have a need here.

14 MR. SELTZER: I think that is an
15 appropriate comment. I thank you for that
16 comment.

17 MS. JACOBS: Okay. I have a lot of
18 questions that I am trying to self limit.
19 Excuse me for a moment. The surrounding
20 area that you are saying will not be used to
21 expand to additional turbines, is there any
22 other plans for that surrounding area right
23 now?

24 MR. KELLEN: We don't have any plans at

1 this time.

2 MS. JACOBS: Okay. Is there anything
3 in the realm of possibility that could be
4 put on that plant on those -- on that land
5 by your company that would at some time
6 require you to request additional permitting
7 from the EPA?

8 MR. SELTZER: Please, let's try and
9 focus. What they may do in the future is
10 not what we are looking at now.

11 MS. JACOBS: Okay. Then at that time
12 would you be looking at the cumulative
13 effects of the other plants that are
14 currently presumed to come before you plus
15 what they are currently asking for plus what
16 they may be asking for in addition if it did
17 require an air permit so that all of those
18 cumulatively would be considered prior to
19 issuing a permit; and if you do, what
20 criteria would you use in deciding? Am I
21 too close to this, too far away?

22 MR. SELTZER: You are fine.

23 MR. ROMAINE: We really can't answer
24 that because we don't know what this

1 theoretical project would be. It is quite
2 possible that if it were a project that were
3 clearly insignificant we would not require
4 further air quality analysis. On the other
5 hand, if it were a major project, we would
6 be back doing PSD type application like we
7 have got today with doing further
8 comprehensive air quality impact analysis.

9 MS. JACOBS: Thank you.

10

11 MS. ZINGLE: I have here a slightly
12 different topic, some resolutions. Ron, I
13 may -- I have one here from the League of
14 Independent Democrats asking for a
15 moratorium on the siting of peaker plants
16 until the Illinois Pollution Control Board
17 finishes its work. I have a resolution here
18 from the Village of Winthrop Harbor, and I
19 have a resolution here from Benton Township
20 Board, and I have an article describing how
21 the Village of Beach Park posed some
22 moratorium on peaker plants until the issue
23 could be studied further. I would like to
24 include these in the records and again this

1 part of my testimony also.

2 MR. SELTZER: It will be marked and
3 accepted as Public Exhibit 4. You want all
4 your comments also in the record of tomorrow
5 night; am I correct?

6 MS. ZINGLE: No, just the comments on
7 the resolution. I have different questions
8 for tomorrow night. That's all I have at
9 this time.

10

11 MS. SCHMIDT: Hi. My name is Connie
12 Schmidt. It is S C H M I D T. I am here to
13 represent the Sierra Club. It is the River
14 Prairie Group which is primarily DuPage
15 County. We have 2,500 members.

16 There is a chapter in the Fox
17 River area as well as the Lake County area.
18 Those representatives were not able to come
19 tonight, but I am here to let you know from
20 my group that I am here to speak for them.
21 I have a number of -- several comments.

22 First of all, I want to let the
23 gentleman -- can you hear me?

24 MR. SELTZER: Yes.

1 MS. SCHMIDT: The gentleman from the
2 company know that they can sit back and rest
3 easy because I feel they are here primarily
4 to earn a buck, make money at the expense of
5 the people here; and that's the American
6 way. They are doing what they want to do,
7 and that's totally appropriate. But let me
8 address the Illinois Environmental
9 Protection Agency.

10 What appears to have happened
11 here is that the technology which these
12 gentlemen want to impose upon this area has
13 been developed far more quickly than the
14 government bureaucracy that is necessary to
15 provide a set of guidelines to protect the
16 environment and its inhabitants. Individual
17 municipalities are being asked at an
18 alarming rate to approve these on an
19 individual basis.

20 The IEPA is the only Agency that
21 has a thread of holding these municipalities
22 together and creating a regional look at
23 this possibility for various communities. I
24 implore you to consider this regional

1 impact. I have a question for you now.

2 I wonder if any of you have gone
3 back to your supervisor, perhaps even
4 Mr. Skinner, and said they are eating us
5 alive out there with these questions
6 regarding our responsibility. Maybe we
7 should consider the moratorium. Has there
8 been any discussion amongst your staff that
9 perhaps these hearings should no longer
10 continue?

11 MR. ROMAIN: Certainly we have thought
12 about that, but that is not a decision that
13 actually gets made in the permit section.
14 The permit section does not make policy.
15 That would be policy. We do not adopt laws.
16 We do not adopt rules. We operate under
17 very strict sets of rules that say if an
18 application meets the applicable
19 requirements it is entitled to a permit.

20 We do not have the same sort of
21 authority that a policeman might have for
22 reckless driving. This is not a case of
23 reckless driving. In terms of the rules
24 that we are dealing with, these plants as

1 demonstrated by the modeling don't have --
2 pose a threat to air quality. The --

3 MS. SCHMIDT: I fear we have --

4 MR. ROMAINE: Well, excuse me. I am
5 continuing. There is no question they are
6 large facilities, and I will not dispute
7 that. We are concerned about them. We are
8 permitting them. We are addressing them in
9 our attainment planning demonstrations.

10 But there isn't a basis for us
11 to say that these plants are going to cause
12 or contribute to a violation of an air
13 quality standard or are going to exacerbate
14 the ozone problem. On that basis, there's
15 no legal means that we can take to
16 legitimately deny these applications.

17 MS. SCHMIDT: You seem like a nice
18 enough guy. I sure hope that by you just
19 now telling us that there is no reason these
20 permits should be denied I wonder why we are
21 bothering with a hearing at all.

22 I am going to make some comments
23 about something other than air pollution.
24 Air quality definitely is a concern, and I

1 think it's been addressed very well by the
2 individuals here.

3 I come from an area far south of
4 here, DuPage County near Aurora. We do not
5 have Michigan -- Lake Michigan water.
6 Although, they are trying to push it down
7 our throats; and many of us individually
8 don't want it.

9 I don't understand why they are
10 trying so hard to sell it to us when it is a
11 precious commodity, but we are relying on
12 wells down there. I understand that wells
13 are important up here as well.

14 When you go down in the deep
15 aquifer, it is my understanding that the
16 possibility for contaminants that are within
17 those deep aquifers are not even known
18 necessarily to modern science yet because
19 they haven't been explored thoroughly.
20 There is a reason that local wells prefer
21 the higher aquifers. Part of it is radon.

22 So I am going to suggest to you
23 without giving a question because I know you
24 can't answer it that possibly pollutants

1 could be being pulled forth that we don't
2 even know complete -- fully about. And they
3 will be utilized by the power companies for
4 cooling, whatnot. And then they will be
5 emitted as steam through the air. So we
6 don't even know what we are bringing forth.

7 It bears being said again -- and
8 I applaud everyone's comments here tonight
9 because I think they've been excellent. But
10 Governor Ryan has appointed a special water
11 resources advisory committee. He has asked
12 the Pollution Control Board to hold hearings
13 on peaker power plants.

14 It seems absolutely ridiculous
15 that these hearings would continue, that you
16 wouldn't ask your supervisors if we couldn't
17 just hold on until we get the advice that we
18 need so that you can do your job. Your job
19 is to protect the environment.

20 Is there any kind -- I am just
21 curious. Is there any kind of an oath that
22 you take when you take your job, or do you
23 just get a salary and a sheet? Do you do --
24 I know as a teacher I do have an oath, and

1 it is in my contract. I am wondering if you
2 do.

3 MR. ROMAINÉ: We have not adopted an
4 oath, no.

5 MS. SCHMIDT: Is there a mission
6 statement for the Illinois EPA?

7 MR. ROMAINÉ: Yes, there is.

8 MS. SCHMIDT: Does anyone know it?

9 MR. ROMAINÉ: I have it with me if you
10 want me to read it.

11 MS. SCHMIDT: How long is it? Maybe
12 the record needs to hear it. Is it like
13 more than a paragraph?

14 MR. ROMAINÉ: I can read it. The
15 mission of the Illinois Environmental
16 Protection Agency is to safeguard
17 environmental quality consistent with the
18 social and economic needs of the state.

19 MS. SCHMIDT: Well, thanks. That is a
20 good thing in the public record.

21
22 MS. VOITIK: My name is Terri,
23 T E R R I, V O I T I K. I am the founder of
24 the Citizens Against Power Plants in

1 Residential Areas, CAPPRA. I am here to
2 speak tonight.

3 First of all, I would like to
4 say that you folks issued a permit in
5 Aurora. We still continue a legal battle.
6 It is very long and expensive to try and
7 stop that plant. It is on a fast track. I
8 don't know how much more justice we can
9 afford as a community, and that's really
10 sad.

11 I'd like this on the record for
12 both nights. There are letters that have
13 been written -- they will be submitted
14 tomorrow evening by Susan Zingle -- calling
15 for a moratorium on all peakers including
16 these two proposed plants. The letters are
17 submitted -- to be submitted are from
18 Senator Terry Link, Senator Bill Peterson,
19 Representative Susan Garrett, Lauren Beth
20 Gash, Representative Tim Osmond; and, again,
21 Susan Zingle will be submitting those
22 tomorrow night.

23 MR. SELTZER: Excuse me. Are you going
24 to testify tomorrow night also?

1 MS. VOITIK: No.

2 MR. SELTZER: So the testimony that you
3 are offering tonight, you would like in the
4 record for both nights?

5 MS. VOITIK: It is for both nights,
6 yes.

7 MR. SELTZER: We will do that.

8 MS. VOITIK: Speaking for CAPPRA, you
9 have heard this. I would like to reiterate.
10 These plants run intensely on days when air
11 quality is very poor, and the standards do
12 not and should not apply. We need daily
13 standards on these plants. You continue to
14 issue permits without regard for siting
15 plans or without regard for cumulative
16 effects for multiple plants in our severe
17 non-ozone attainment area.

18 The peaker plant concept has
19 outgrown the guidelines that you, the IEPA,
20 are here to implement. Again, I ask you,
21 the IEPA, to look at what is morally the
22 right thing to do and stop issuing permits
23 until the information gathering has been
24 completed and an appropriate set of

1 guidelines have been put in place.

2 I also would like to read
3 something. Evan Craig is not here tonight.
4 I came across something in one of the Sierra
5 Club bulletins. It is called the Truth
6 About Ozone. I would like to read certain
7 excerpts of it. It is called the Truth
8 About Ozone.

9 "Air in our region was hazardous
10 to our health 18 times last summer due to
11 high levels of ground level ozone, up from 7
12 in 98 and none in 97. You were advised to
13 stay inside and to avoid driving or mowing
14 inside" -- is this working? "Children were
15 at higher risk.

16 Ironically, by riding my bike to
17 work to avoid adding to the problem, I ride
18 there dizzy from the noxious air. If you
19 are asthmatic or decided to breathe deeper,
20 you would probably suffer the consequences.
21 If so, you might be surprised to learn that
22 the Environmental Protection Agency allows
23 higher emissions of ozone precursors here
24 than is allowed in the rest of the country.

1 Political chemistry has been
2 used to pass our entire region through a
3 chemical loophole. Political chemistry, a
4 product of the reaction between politics and
5 regulators, has been used to pass our entire
6 region through a chemical loophole.

7 According to the chemistry
8 taught in most colleges, nitrogen oxide,
9 NOX, and volatile organic compounds combined
10 in the presence of sunlight to form ozone,
11 O3, also known as smog. Accordingly, the
12 IEPA tightly regulates the release of NOX
13 and VOCs. But here chemists say that the
14 most combustion powered machines produce the
15 simplest oxide of nitrogen, NO.

16 They argue that NO tends to
17 react not only with your mucous membranes
18 but also with ozone to become NOX and in the
19 process converts toxic ozone back to
20 beneficial O2. Suddenly because this
21 immediate effect is to eliminate some ozone,
22 combustion is seen not as the cause of ozone
23 but as the solution to it.

24 With their political chemistry

1 in hand, the Illinois EPA successfully
2 argued for looser NOX emission standards and
3 obtained a paradoxical NOX Waiver for our
4 region on the grounds that we need the NO to
5 help reduce our ozone. Never mind the fact
6 that the NOX ultimately creates even more
7 ground level ozone downstream forcing parts
8 of Wisconsin and Michigan to exceed safe
9 ozone levels and drawing legal challenges
10 from eastern states. Meanwhile, as the
11 waiver remains in place, permits for power
12 plants continue to be approved." Thank you.

13 MR. SELTZER: Thank you.

14 MS. SCHMIDT: Sir, can I ask that my
15 testimony be included; or is it too late to
16 do that?

17 MR. SELTZER: You mean for tomorrow?

18 MS. SCHMIDT: Okay.

19 MR. SELTZER: No. Sure. So ordered.

20 Eric Strom?

21 MR. STROM: Wow. I am just a homeowner
22 around here. I am just concerned about my
23 house. I've been living with BFI. They
24 wanted to put a toxic waste dump a quarter

1 mile from my house. We stopped that.

2 I have to live with the sanitary
3 district. That ain't too bad. It don't
4 smell too bad. They want to expand the
5 airport. I don't want that. We got a nice
6 golf course up here. It is going to improve
7 all our property, but now we want two peaker
8 plants up here.

9 I am a little concerned about
10 what -- you are issuing a permit for this
11 plant here. Now, there is already a gas
12 pipeline put in on Route 173 for this plant.
13 Now, I am in construction; and I know about
14 infrastructure.

15 Now, they have already started
16 the infrastructure for this plant, which
17 means this gentleman here has already
18 started construction. He has already cut a
19 deal with NICOR. He has already cut a deal
20 with ComEd to tie into the power lines over
21 there. They have already started before you
22 have given them permission to do so. Is
23 this true?

24 MR. SELTZER: I don't know.

1 MR. STROM: We don't know. We don't
2 know. Well, there is a high pressure gas
3 line that started out west of the tollway
4 and came right up 173 and stopped short of
5 Green Bay Road just past Delany. Now, there
6 is something fishy going on here, guys.
7 There is something fishy going on here.
8 They are going to shove it down our throats.
9 I don't like it.

10 I got my daughter talking to Al
11 Gore on the Internet. I want him to come up
12 here 'cause I am a staunch Republican all my
13 life. I am going to vote democrat because I
14 am working. I'd like some full disclosure
15 on their negotiations with NICOR and the
16 city, the great Republicans I voted in.

17 I don't know. I am just a
18 simple guy. I am not -- I am not like this
19 gentleman over here who has been in the
20 legislature. I don't even know what's right
21 and what's wrong. For some reason, I
22 think we are taking it. I can't say any
23 more.

24 MR. SELTZER: Thank you.

1 MR. STROM: Put me down for both nights
2 too. I have to work in the morning.

3 MR. SELTZER: So ordered.
4

5 MS. JACOBS: Terry Jacobs, T E R R Y,
6 J A C O B S. I am representing Concerned
7 Citizens for Lake County. You can add that
8 to my earlier testimony. I haven't put that
9 down yet. I would also like my testimony to
10 apply to both nights.

11 To clarify for the lady who is
12 the closest neighbor, is it not true that if
13 the Applicant is found to have higher
14 emissions levels it is -- is it not possible
15 and even likely that the company can simply
16 be permitted at a higher level for
17 emissions?

18 MR. ROMAINE: In this particular case,
19 I would say no. Because this is a PSD
20 application, it is, in fact, treated as a
21 major source of pollution. It has to comply
22 with best available control technology. And
23 once best available control technology is
24 established, that is essentially adopted

1 emission limit for the facility. So
2 certainly it is -- a minor upset condition
3 or other problem would not be a basis to
4 revise a back limitation of that sort.

5 The question you pose would be
6 more relevant to a facility such as the
7 Indeck-Libertyville facility which was a
8 minor source and voluntarily came in with
9 permit emission levels on an annual basis
10 that were significantly below the major
11 thresholds. And certainly it was a
12 possibility for a facility of that sort to
13 come back to our Agency and to request an
14 increase in the emission levels while still
15 staying a minor source.

16 MS. JACOBS: So what recourse would
17 this neighbor have then? I mean, is it
18 something that you would watch if you see
19 the emission levels coming in higher how
20 many times before it is a problem that you
21 feel something needs to be dealt with; and
22 how much later does that -- is that
23 correction made?

24 MR. ROMAINE: You are asking a very

1 sort of general question. I think the point
2 I would make is that --

3 MS. JACOBS: Just as a matter of
4 procedure.

5 MR. ROMAIN: Well, you posed the
6 question a certain way. This facility is
7 required to comply with best available
8 control technology 'cause that's a
9 technological standard. That technological
10 standard requires emissions to be many times
11 below the level that would pose a threat to
12 a neighbor as concerned that way.

13 So I would never be particularly
14 concerned with this facility about a health
15 threat from an upset condition. I would be
16 concerned about a control technology
17 violation, which is also a violation; but it
18 has a different character.

19 In terms of what happens in the
20 case of a violation, it really is a
21 discretionary project with us and our
22 attorney, the Attorney General's Office.
23 The question is why is the violation? Is it
24 something that will inherently correct

1 itself? Have they corrected it already?
2 Are they taking appropriate steps? Do they
3 need additional incentives to take
4 appropriate steps? What are the punitive
5 steps that should be taken to, you know,
6 assure that it doesn't happen in the future?

7 And the final point is are there
8 economic benefits they have achieved from
9 being out of compliance? And one of the
10 principles in enforcement actions is that
11 company shall not profit from being out of
12 compliance.

13 So depending on the nature of
14 what occurred, it could be a very
15 straightforward matter that they correct the
16 machine. They order the correct parts.
17 They stop operating until they have got it
18 corrected. Or it is some sort of chronic
19 problem where the -- I am trying to think of
20 what might go wrong with a turbine. They
21 have tried to operate it with the wrong
22 pressure in the natural gas. I don't know
23 if it would even operate in those
24 conditions. In fact, these are fairly

1 sophisticated pieces of equipment.

2 So I am not sure what they could
3 do and keep operating if it is broken, but
4 it might be something. If they persisted in
5 that behavior, that is certainly something
6 that we would see as a serious violation and
7 take appropriate action to extract the
8 appropriate penalty.

9 MS. JACOBS: About how long on average
10 is that? Have you ever in any of the
11 peakers that -- I mean you could tell me
12 when your first peaker appeared on the radar
13 screen here. Has any ever been found in
14 violation yet?

15 MR. ROMAINE: That question keeps
16 coming up from the Rocky Road Dynegy
17 facility, and it so far has a very clean
18 bill of health. The peaker plants do not
19 have a problem complying with air pollution
20 control regulations.

21 MS. JACOBS: And BACT in this case is
22 the dry low-NOX burners?

23 MR. ROMAINE: That's correct.

24 MS. JACOBS: Have you ever received any

1 information indicating that there may be
2 additional problems with the dry low-NOX
3 burners in that it isn't completely burned
4 at this lower temperature?

5 MR. ROMAINE: Um --

6 MS. JACOBS: Is there any further study
7 being done into that?

8 MR. ROMAINE: Certainly the dry low-NOX
9 burners do pose concerns for the level of CO
10 and VOM emissions, but the information to
11 date suggests that is an academic question
12 that as part of the development of dry
13 low-NOX burners burner manufacturers are
14 also taking appropriate steps to maintain
15 high combustion efficiency and maintain
16 CO and volatile organic material emissions
17 in the same range.

18 That's one of the reasons I
19 think that the combustor technology has
20 taken as long as it has. If it was simply a
21 matter of reducing NOX emissions, it could
22 probably have gotten to this point much more
23 quickly.

24 MS. JACOBS: One other question, just

1 in listening to some of the comments and
2 responses earlier regarding the emissions
3 here and other peakers throughout this
4 state, the answer often seems to be yes; but
5 the equivalents from the coal-fired plants
6 are going to be lower. As of yet, are there
7 offsets in place, taking place with the
8 coal-fired plants?

9 MR. ROMAINE: Yes, there are. Now,
10 when you say offsets, then their actual
11 emission reductions are occurring at
12 coal-fired power plants. Midwest
13 Generation, for example, has retrofitted one
14 of the boilers in Waukegan with low-NOX
15 burners.

16 MS. JACOBS: And is that happening
17 relative to? Is there a direct correlation
18 somewhere that this is happening? Or is one
19 thing happening and the other thing
20 happening, and it happens to be
21 coincidentally happening about the same
22 time? Is there something in place that --
23 am I making that clear enough?

24 MR. ROMAINE: I think it all depends on

1 how you look at it. There is certainly no
2 contractual relationship between proposed
3 peaker plants and the actions that Midwest
4 Generation has taken with regard to its
5 coal-fired power plants.

6 However, Midwest Generation, as
7 they have expressed it at meetings with the
8 Agency, sees its obligation to reduce its
9 NOX emissions. It believes that there is an
10 obligation that will be forthcoming under
11 the state rules. And rather than wait until
12 there are actually state rules in place that
13 require NOX reductions, they are going
14 forward at this time. Midwest Generation
15 sort of started that program as it took over
16 the coal-fired power plants from ComEd.

17 I wouldn't say, however, that,
18 you know, this makes practical sense on
19 their point. If they see those requirements
20 coming, it makes sense for them to phase the
21 construction activity, not to have crews at
22 16 power plants simultaneously and have
23 concerns about taking very short outage
24 periods of time.

1 It makes practical sense for
2 them as well to start early to meet the
3 requirements that they see coming in the
4 future, facilitate that. There are also
5 provisions in the NOX budget program that
6 would provide incentives for sources that do
7 provide early reductions.

8 MS. JACOBS: Okay. Would it be safe to
9 say -- Would it be accurate for me to say
10 that as long as you felt that the emissions
11 from the cumulative peakers in the area or
12 maybe even one or two or three peakers in a
13 certain area were to exceed what a
14 coal-fired plant would be emitting, that
15 this would then be something that is good
16 currently?

17 MR. ROMAINE: You are asking a very
18 good question. And the issue that Illinois
19 is facing is what should be done with our
20 existing coal-fired power plants, do they
21 have adequate levels of control, what should
22 be done in terms of natural gas-fired power
23 plants? Are there better? Is that
24 sufficient? Should they be even better?

1 That's why we are fortunate or I
2 am fortunate. I am in the permit section.
3 I don't have to address those broader
4 issues. Those are things that are being
5 addressed by the board that is studying
6 coal-fired power plants.

7 MS. JACOBS: Soon anyway. It just
8 seems that being the permitting section or
9 being the one that creates policy that it is
10 all the EPA, and this is the Illinois EPA.
11 You are representing our area. You are
12 representing us. We are coming to you with
13 our concerns.

14 It seems that now that you have
15 all, I know at least the two of you, I have
16 seen you at a couple of hearings; and you
17 have a reputation, as do the rest of us
18 sitting here in the room; and it proceeds
19 us. We are all, I think, trying to do what
20 is right.

21 And it seems now that we know
22 better. I know I have learned a tremendous
23 amount from attending these hearings and
24 listening to all the experts. I can only

1 imagine the depth of information that you
2 have and the knowledge that rests within the
3 two of you, let alone the staff's. And
4 there must be some part of the permitting
5 section that gets information to the policy
6 making section somehow either in an obvious
7 route or something that is more subtle.

8 Now that we know better, why
9 can't we do better? Just because the
10 country made the mistake or maybe we didn't
11 have the technology to have the coal-fired
12 plants and have all the problems that we now
13 know come from them doesn't mean that
14 because we now have something to replace
15 them to make the problem a little less bad
16 is good, especially if we know and the EPA
17 knows most specifically that there are far
18 better ways, far less polluting methods that
19 can be used to get the energy that we need
20 that there probably would be some very good
21 recommendations regarding air, water, siting
22 that the EPA, if you don't have the
23 authority, I believe you should. And I
24 believe somebody with the EPA should be

1 trying to get that authority.

2 And God knows there's an awful
3 lot of people within the State of Illinois
4 with a little bit of guidance. We would
5 help in any way we could. We tried to
6 channel our efforts appropriately if someone
7 would let us know.

8 It seems we know better. We can
9 do better. Somebody needs to be a leader.
10 It seems that you are the ones that probably
11 have the most cumulative knowledge at this
12 point. Is it unfair to look to you as a
13 group, not you personally, for this kind of
14 leadership?

15 MR. ROMAINE: That's -- I think it is a
16 very honest question. I would have to
17 answer it is fair to look to us for that
18 leadership. That is correct.

19 MS. JACOBS: Thank you. Is there a
20 more appropriate way or -- that we should be
21 going about this where, you know, you seem
22 like nice people as another lady I think
23 from the Sierra Club said. I almost feel --
24 I hesitate. I don't want to feel like the

1 bully here. I am just with people who have
2 tried so many ways to get information and to
3 have some leadership somewhere, and we don't
4 seem to be able to find it.

5 I would think anyone and, again,
6 I mean is it unfair to expect that we have
7 the best available since technology is to
8 the point where we know what the best
9 available is. And I am a little uncertain
10 as to how one thing is BACT someplace and
11 something else is BACT someplace else where
12 somewhere in the world there truly is best,
13 the best. That's like one way to do it. I
14 don't see that being even pushed, suggested
15 in a lot of areas.

16 I have heard a lot of different
17 companies come up and say what they have is
18 BACT, and maybe it is for whatever kind of
19 turbine they happen to have available to
20 them at the time. I think, again, we know
21 better. We should be able to do better.

22 Do you have any suggestions for
23 us cumulatively? We really are open to it
24 either on the record or off the record. I

1 will be available in back. I'd like to be
2 able to be more effective than I think I
3 have been so far.

4 MR. ROMAINE: I guess my simple
5 recommendation there is to work with the
6 established environmental groups, the
7 Illinois Environmental Council, to bring the
8 various organizations together to come up
9 with a concise comprehensive agenda of
10 environmental initiatives that they want
11 pursued.

12 MS. JACOBS: But that's not going to
13 happen until after the fact for a great
14 number of peakers within the State of
15 Illinois. And in the meantime --

16 MR. ROMAINE: As I say it simply, in
17 terms of the environmental impacts of
18 peakers and certainly the air pollution
19 impacts, those impacts simply aren't there
20 based on the information that we have had
21 and the applications that we have seen.
22 Even with the large numbers of applications,
23 those impacts aren't there. I am not saying
24 that there aren't other impacts.

1 I am very disappointed that
2 there is not a more aggressive approach. I
3 think Libertyville residents certainly had a
4 much -- a different local role for their
5 project than might be the present -- as
6 appears to be the process in Zion.

7 MS. JACOBS: They did -- they really
8 did a wonderful job. There were more than
9 20 meetings of the Plan Commission. I would
10 suggest that the people of Zion enforce in a
11 loud voice. We found signs to be very
12 effective. We found fliers to be very
13 effective. We found getting out and talking
14 to your neighbors to be very effective.

15 Get out and talk to your
16 commissioners, your trustees, your mayor,
17 ask them. Have the newspapers involved and
18 do it in force and have everything in
19 writing. You deserve a voice in this.

20 I thank you for your time. I
21 really -- do you mind if I call you after
22 the fact if you have any other suggestions
23 because this seems -- the one you are
24 suggesting is the one that is happening now.

1 And I think we all agree it is not in a
2 perfect world what's the best solution. Is
3 there no way to get past that?

4 MR. ROMAINE: We can talk later.

5 MS. JACOBS: Okay. Thank you.

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I, Carrie McCann, CSR, do
hereby certify that I am a certified
shorthand reporter doing business in the
State of Illinois; that I reported in
shorthand the testimony given in the
proceedings before the Illinois
Environmental Protection Agency on August
15, 2000, and that the foregoing is a true
and correct transcript of my shorthand notes
so taken as aforesaid.

Carrie McCann
Certified Shorthand
Reporter
Certificate No. 84-004374