BEFORE THE ILLINOS ENVIRONMENTAL PROTECTION AGENCY

VENICE, ILLINOIS

The following is a transcript of a public hearing held in the above-entitled matter at the Recreation Building, 305 Broadway, Venice, Illinois, on the 12th day of August, 2004, commencing at the hour of 7:00 p.m.

EPA Members present:
Charles Matoesian, Hearing Officer
Christopher Romaine, Manager, Utility Unit
Manish Patel, Environmental Protection Engineer
Brad Frost, Public Relations

REPORTED BY:
Mitchell & McNeil Reporting
P.O. Box 654
Salem, Illinois 62881
618-548-6009

MR. MATOESIAN: Good evening ladies and gentlemen, my name is Charles Matoesian. I will be the hearing officer tonight. This hearing is being held by the Illinois Environmental Protection Agency Bureau of Air. Union Electric Company doing business as Ameren UE has requested that the Environmental Protection Agency issue a permit to allow construction of three natural gas simple cycle fired turbines at the Venice Power Plant located at 701 Main Street in Venice.

The turbines would have a total nominal capacity of 559 megawatts of electricity. The turbines would replace the oil and gas steam boilers previously at the site. The change in emissions from the project considering both installation of the new turbines and contemporaneous retirement of boilers would not be considered a major modification pursuant to federal rules of Prevention of Significant Deterioration and state Major Stationary Sources Construction modification rules.

The purpose of this hearing is to receive comments and answer questions from the public prior to making a final decision concerning the draft

permit. This hearing is being held under the Illinois EPA procedure for permit and closure plan rules found at 35 Illinois Administrative Code part 166, subpart A, lengthy comments and questions should be simulated in writing. Written comments must be sent to myself, Charles Matoesian, Hearing Officer concerning Union Electric Company, address of 1021 North Grand Avenue East, P.O. Box 19276, Springfield, Illinois 62794-9276. Comments must be postmarked no later than September 13. The notice that was placed in the paper mentioned September 11, 2004, however I notice that is a Saturday so I will just make it September 13 at this point which is the following Monday, again they must be postmarked by midnight September 13, 2004. Those comments need not be notarized. Having said that on behalf of Renee Cipriano, the director of Environmental Protection Agency, Illinois Environmental Protection Agency I should say, myself and the Bureau of Air, I thank you all for coming, we will begin now with a presentation by Mr. Manish Patel.

MR. PATEL: Good evening everybody, my name is Manish Patel. I am a permit engineer in

the Bureau of Air. I will be giving you a brief description of the project. Ameren has requested a permit for the construction of three combustion turbines at its existing power plant in Venice. The turbines would be capable of producing about 560 megawatts of total electricity.

The proposed project would use simple cycle combustion turbines with power produced by generators connected to the shafts of the turbines. Simple cycle turbines are used to help meet peak power demand generating electricity in peak demand periods and at other times when other power plants are not available due to scheduled or unexpected outages. Normally in Illinois peak power demand occurs during daylight hours on hot summer weekdays due to the power demand for air conditioning. Accordingly these turbines would not operate most of the time.

These turbines would be fired on only natural gas which is the cleanest commercially available fuel. Natural gas does not contain significant amount of sulfur or ash as present in coal and oil. The pollutant of greatest interest for burning natural gas is nitrogen oxides or Nox.

Nitrogen oxide is formed when nitrogen and oxygen in the atmosphere combine during the high temperature of combustion. The nitrogen oxide emissions from the turbines would be effectively controlled by low Nox burners which would limit the maximum emissions from the turbines to 15 parts per million. Carbon monoxide can also be found in significant amounts in the exhaust from turbine due to incomplete combustion. Carbon monoxide emissions would be controlled by providing adequate fuel residence time and high temperature in the combustion zone to ensure complete combustion of fuel. This would limit the maximum carbon monoxide emissions from the turbine to 25 parts per million.

The project is not considered a major project under the federal rules for Prevention of Significant Deterioration of Air Quality or the state rules for Major Stationary Source Construction and Modification. This is because the permitted emissions of pollutants other than nitrogen oxides from this project would be less than the significance thresholds. The nitrogen oxides emissions are limited so that the net change

in emissions considering the actual emissions from the boilers previously operated at the facility is less than the significant.

For projects that are not major an air quality study is not required by applicable rules however Ameren has performed an air quality study to determine the air quality impacts from the project for pollutants other than ozone. The study indicates that air quality would comply with ambient standards. With respect to ozone, the project should not have any effect on local air quality as ozone forms gradually as precursor compounds react. The turbines would qualify as electric generating units and would be subject to Illinois Nox Trading Program. Ameren would have to hold allowances for the nitrogen oxides emissions of the turbine unit during each seasonal control period.

The project is not subject to the requirements of Maximum Achievable Control Technology Standards for turbines because the source will not be a major source of hazardous air pollutant emissions as limited by the permit. The Illinois EPA has reviewed the materials submitted

by Ameren and has determined that the emissions from project will comply with applicable state and federal standards. The conditions of the proposed permit contain limitations and requirements on the activities of the facility. The permit also establishes appropriate compliance procedures including inspection practices, record keeping requirements and reporting requirements. In closing the Illinois EPA is proposing to grant a construction permit. We welcome your questions and comments on our proposed action, thank you.

MR. MATOESIAN: Thank you, Mr. Patel, we will now have a presentation by Mr. Steve Whitworth from Ameren. Since we don't have a pedestal and it's a small room, you can stay where you are when you make your presentation, you can stand up if you like or sit down but please speak loudly and state and spell your name for the record, thank you.

MR. WHITWORTH: My name is Steve Whitworth, I am Supervising Environmental Scientist for Air Quality and Support in the Environmental, Safety and Health Department of Ameren Services which is a subsidiary of Ameren Corporation. I am based at the corporate office in downtown

St. Louis, Missouri. I am responsible for air quality programs within Ameren and provide support to the operating companies to achieve compliance with air pollution control requirements throughout the Ameren system. I would like to recognize the IEPA air permit section for their efforts to draft the construction permit for the Venice project. I look forward to the continued cooperation with the IEPA to achieve timely issuance of the construction for the project.

I would like to briefly describe Ameren and its facilities in Illinois. Ameren Corporation companies provide energy services to approximately 1.7 million electric and 500,000 natural gas customers over a 49,000 square mile area of Missouri and Illinois. Ameren companies' net generating capacity is more than 14,600 megawatts. Based in St. Louis Ameren is the parent company of Ameren CILCO based in Peoria, Illinois; Ameren CIPS based in Springfield, Illinois and Ameren UE based in St. Louis. The company is also parent to non rate regulated generating companies as well as energy marketing and fuel services companies. The Ameren UE Venice facility is the subject of the

hearing this evening.

Ameren currently operates 14 electric generating facilities in Illinois that burn a variety of fuels including coal, oil and natural gas. These include base load and intermediate facilities as well as peaking facilities which all provide electricity for Illinois homes and businesses. Ameren companies have significantly reduced emissions of sulfur dioxide and nitrogen oxides and have been acknowledged as a leader in NOX control resulting from accomplishments at our coal fired generating stations. Beginning in 1991 Ameren UE began a series of research projects and installed advanced combustion control technologies on several generating units. Our continuing commitment and goal to achieve the lowest possible NOX emissions on these units has resulted in unprecedented success. For the last several years Ameren has operated some of the lowest NOX emitting large coal fired generating units in the country including six of the nation's ten lowest NOX emitting units and 13 of the 20 lowest emitting units in the nation. Our work with the Electric Power Research Institute in applying new

technologies on one of our cyclone fired boilers has resulted in achieving the lowest NOX emitting cyclone coal fired unit in the nation without add-on emission controls. These efforts earned the company the Missouri Governor's Pollution Prevention Award in 1998. Ameren continues to participate in the research and development of additional new innovative and cost effective technologies to reduce emissions of air pollutants.

Ameren is committed to providing our customers with clean, reliable energy while preserving and protecting the environment. The new combustion turbines will replace the generating capacity of the retired units at the facility with more efficient low emission equipment. The combustion turbines are designed with state of the art low NOX burner technology to minimize emissions. The new generating units are needed to serve the peak power needs of Ameren UE customers. The Venice facility is located near Ameren UE's main load center and will allow the company to meet its obligation as a low cost and reliable provider of electricity. We urge the EPA to issue the construction permit in an expeditious manner so

that the new generating units can be constructed and begin operation as soon as possible in order for Ameren UE to continue to provide reliable, low cost energy to this region, thank you for the opportunity to present these comments in person.

MR. MATOESIAN: Thank you, Mr. Whitworth, next speaker is Ms. Kathy Andria.

MS. ANDRIA: Kathy with a K, Andria, A-n-d-r-i-a, I am with American Bottoms Conservancy, we are based in East St. Louis, I don't have official comments yet, I do have a number of questions that I'd like to ask, some referring to the permit and some material that I have gotten through Freedom of Information request and a question from Mr. Whitworth on his statement and I apologize, I don't know all the answers to these questions or I wouldn't be asking them. Is this plant now closed?

MR. ROMAINE: I would not consider the plant closed, no but I'm making that statement because there are two turbines currently operating, operational at the facility.

MS. ANDRIA: There are two turbines operational or operating?

MR. ROMAINE: Operational at the facility.

MS. ANDRIA: When was the last time it operated?

MR. ROMAINE: I don't know the last time those turbines operated. What I am saying is that there -- in addition to the boilers that were at the Venice Power Plant, they have some other gas combustion turbines that are serving peaking power demands so they're operated intermittently when there is demand for power that those turbines can fill, do you want to supplement that answer, Steve?

MR. WHITWORTH: I don't know the exact date they have operated, we have operated those this summer and conducted quality assurance activities on the continuous emissions and monitoring system in late July.

MS. ANDRIA: The reason I was asking is I remember -- and I don't remember the date exactly but there was a huge fire and lots of black smoke up in the air that we could see from pretty much everywhere in the area and I thought the plant had closed down, that's why I didn't know whether it

was still operating, I mean I never see stuff coming out so I didn't know whether it was operating or the things that are being -- the things that he said the operational turbines, are they under a separate permit, is that part of this, are these being retired or I didn't understand that?

MR. PATEL: They are operating under cap permit but they were permitted separately.

MS. ANDRIA: Is this the general Ameren title 5 permit or was this specific to the Venice Plant?

MR. PATEL: The Venice Plant.

MS. ANDRIA: When was that, the title 5 for the Venice Plant?

MR. PATEL: Title 5 was issued in December 2003.

MS. ANDRIA: Wasn't that part of the Wood River Plant too? It was a whole separate one?

MR. WHITWORTH: There is no relationship.

MS. ANDRIA: Got by me, I didn't even know about it, son of a gun and then the turbines that you refer to as new turbines, are these

actually brand new, never been used in any other plant before turbines?

MR. WHITWORTH: Correct.

MS. ANDRIA: What is now what is currently being permitted in this permit are just the three units that you spoke about, the two larger ones and the one smaller one?

MR. PATEL: And there is indirect heater also but the main ones are the three large turbines.

MS. ANDRIA: There are no other units that might be having any emissions like generators or any other kinds of things that will need to be -- to come on line or is this a complete inventory of what you are going to be using?

MR. WHITWORTH: This is complete.

MS. ANDRIA: What all is being retired?

MR. PATEL: Boilers 1 through 6 and auxiliary boiler they had for heating purpose.

MS. ANDRIA: What about 7 and 8?

MR. WHITWORTH: Generating units 1 through 6, boilers 1 through 8.

MS. ANDRIA: And the existing steam generating units retired December 31, 2002?

MR. WHITWORTH: Right.

MS. ANDRIA: The auxiliary boiler was December 2003?

MR. WHITWORTH: That sounds correct, I don't have the exact date with me.

MS. ANDRIA: Which of the sources were involved in the fire, what was the cause of the fire?

MR. WHITWORTH: We actually have a facts sheet that I could give you the answers to most of those questions.

MS. ANDRIA: That would be great, thank you. In the last few years since the fire, the only things that have been operating then are the thing that you said about the quality assurance in July? No?

MR. WHITWORTH: No, boilers, the existing steam generators operated up until 2002, the fire occurred in 2000.

MS. ANDRIA: The netting that you did, I mean it's my understanding that it's not PSD and backed because of the netting; is that correct?

MR. PATEL: That's correct for NOX.

MR. ROMAINE: No, that's half correct for

NOX.

MS. ANDRIA: I'm sorry.

MR. ROMAINE: That is correct however it is also relevant for purposes of the non-attainment new source review rules as well.

MS. ANDRIA: So the -- how much -- the netting then was based on what they could have emitted even in the years when it wasn't operating?

MR. ROMAINE: No, the netting was based on the actual emissions that it emitted when it was operating. It is based on historical --

MS. ANDRIA: On partial years too when only a couple of them or one or something?

MR. PATEL: It had started before the fire occurred when they were operating based on 1998 and 1999 actual operating years.

MS. ANDRIA: I'm not an engineer, I apologize for some of the naive questions, it seems to me they are going from eight units plus the auxiliary or whatever that's called down to three and changing from gas and fuel oil to only gas but they get the same emissions, I mean they are using -- they are not required to do that and

they're getting rewarded for having a fire and having this stuff, I mean I would assume that the fire happened because some of the equipment was not in top shape or something, I mean that's often times what happens but it seems like it's not a fair thing to take eight units or eight plus units and then go to three, it seems like there should be much fewer, much less emissions allowed.

MR. ROMAINE: The relevant provisions that govern this transaction are the federal Prevention of Significant Deterioration rules and the state rules Major Stationary Sources Construction Modification, those rules do not provide for consideration of issues of fairness or the reason why an emission reduction occurred, it simply looks at what emissions were historically, were they in compliance, was there emission reduction and then you go through an evaluation of contemporaneous emission increase and contemporaneous emission decreases to determine whether there is in fact a net significant decrease in emissions.

MS. ANDRIA: Fairness is fair because it's a non-attainment area and they are using a

netting exercise which I don't think is done correctly but like I say, I am not an engineer but it doesn't seem that it's done right plus they're capitalizing on the fact that New Source Review just went through a new change, a change in rules that allows things to happen, could you tell me, Chris, what would be required if the New Source Review law had not been changed last year?

MR. ROMAINE: My understanding there would be no difference in the way this situation is handled.

MS. ANDRIA: Is that your understanding, Manish?

MR. PATEL: That's correct.

MS. ANDRIA: They are not allowed at all to use diesel fuel or any kind of fuel oil in this?

MR. PATEL: Not in the three turbines.

MR. ROMAINE: If they have proposed to use diesel oil, we would have had to review the application to see whether we could permit, in fact Ameren has not proposed to request a permit that would allow use of oil in the new turbines.

MS. ANDRIA: I thought in their first

application they did.

MR. ROMAINE: They have changed their mind. I don't recall what the first application said, do you recall, Manish?

MR. PATEL: It might have originally been back in 2002 or 2001 October I think but I don't recall for sure.

MS. ANDRIA: Now, if they would have a change of heart and want to use fuel oil some of the time, would we go through another hearing, another construction permit or could they just ask for modification of their existing -- of the permit that you are going to grant them?

MR. ROMAINE: They would have to obtain a revised permit, whether we go through a period of public comment would depend on a determination at that time based on what was being requested and how significant it was and what we believe the level of interest was.

MS. ANDRIA: We would like to go on record right now as saying we are interested if there should be any change in what is proposed and being permitted today, we would be interested in knowing that. Was the emission limits that they

had for base load rather than a peaker and wouldn't that effect -- wouldn't that change somehow what it should be now and how it was based on?

MR. ROMAINE: Simple answer is no, as an existing power plant it was grandfathered so they was not subject to limitations limiting the annual emissions as occurring for this construction.

MS. ANDRIA: But it's a new -- it's being permitted as a new source, as a new plant?

MR. ROMAINE: You asked a question about the existing plant, the existing plant did not have limitations on its annual emissions.

MS. ANDRIA: Is this plant what is being permitted in this today, is this just being stuck in the plant -- is this a whole new inside machinery and stuff being stuck in a building or is the former equipment also being used somehow?

MR. ROMAINE: Our understanding that this is in fact an entire from the ground construction, it does not rely at all on the facilities that were in place for the boilers except perhaps as related to water treatment, waste water handling, maybe not even for that purpose.

MR. WHITWORTH: The electrical.

MR. ROMAINE: And it turns with electrical construction. When you drive by the plant and see that brick building, essentially nothing in that brick building will be used for this proposal.

MS. ANDRIA: No smoke stacks, anything?

MR. PATEL: No, not the existing.

MS. ANDRIA: Given that this is within -- let me see where my statistics are for this, given that we're in a non-attainment area -- may I have a minute, I need to find my stuff, I will have to come back to it but we're in a non-attainment area, within a mile to three miles there's about 17,000 people under the poverty level here, there is a high degree of asthma here, in the two African American communities there is I think 40 to 60 percent minority in the communities both in St. Louis across the river and in Venice and Brooklyn and it seems to me that if all they're doing is sticking a plant, sticking new stuff in an existing plant that they should go somewhere where it's not going to hurt people where the emissions aren't going to be impacted and also from what I read in the Post Dispatch, this power is probably

going to be -- to go to Missouri so again Illinois residents are getting the impacts and Missouri is -- we are getting the impacts but the electricity is going to Missouri and from what I also heard, I am still trying to find my notes, there's like about 40 peaker plants in the State of Illinois and when the power grids went down, we all learned much more than we ever wanted to know about the connectivity of power and how it wasn't this plant here was providing to this community, it goes into this grid, I don't understand why we need this plant so I made a comment in the midst of my questions but I will go back to my questions now. Isn't it true that they are just under the NOX, the trigger for bat, they are around 40, 36, 35, 36 and it's triggered at 40, I mean there is another thing, I think CO is just under 2.

MR. ROMAINE: The permit has been written to allow emissions that are just under the trigger, in fact in typical practice we would expect full emissions to be far below that.

MS. ANDRIA: But if they are allowed --

MR. ROMAINE: They are allowed to come that close to the trigger, that's correct.

MS. ANDRIA: It seems again it's a fairness issue and I am talking about fairness to the breathing public and I understand you are trying to be fair to the company but the company seems to be doing pretty well and the people living here aren't.

MR. ROMAINE: I guess I have to deject and say we are trying to be fair to both the public and the company by implementing the applicable regulations that have been adopted and applied to this project. We have no particular favoritism to Ameren, if they submit a project like any source who submits a project that complies with the applicable regulations, they are entitled to a permit to proceed with the project. Ameren has gone beyond the requirements of regulations to perform additional modeling for this project, that modeling demonstrates that for pollutants other than ozone, this project will not have a significant impact on air quality. As you know ozone is a regional problem, the impact of a source of this size is not particularly noticeable by itself and certainly will not have immediate effects in the community events.

MS. ANDRIA: We very much appreciate that they are not burning coal, we appreciate any time that anyone doesn't burn coal but as you know from a number of hearings that we have had here, it's a cumulative effect, we have many plants emitting many sources, emitting many pollutants and we are also downwind from Missouri and they are putting a lot into our air so we have to address these and we have to make them as good as possible and we would like to ask the companies to make their -- what they do as good as possible. The turbines that they're using, the new turbines has a 15 parts per million and I understand that 9 -- 15 is not very good, that 9 is a much better figure and that if it were backed, it could even be lower so we would really like it if you ask them to -- I know that you are not required and they are not required to do so but in the spirit of people's health and we are bombarded with a lot of other sources, we would like for them to get down to as good as they could get for that and I would like to talk to Mr. Whitworth afterwards and see if we can't do something, I am sure you wouldn't mind if they had more strict emissions or if they had better

controlled emissions, I think that would be good for it. By the way I am also curious they in two different documents asked that this permit not go to public notice and I was wondering why not if Mr. Whitworth could --

MR. WHITWORTH: Timing issue.

MS. ANDRIA: Timing? And because this takes time to go to -- send out public notice?

MR. WHITWORTH: Yes.

MS. ANDRIA: Also I notice in their check in the material, we are having a public hearing and they have not paid the $10,000 required for a public hearing and I was wondering why that?

MR. PATEL: The hearing was all taken, there was an adjustment of fee letter sent to them last week I believe that does comment to their paid fees, they over paid their fees based on the advised analysis on the fee issue.

MS. ANDRIA: They did pay or they will pay?

MR. PATEL: Their fees actually did not consider the hearing fees in there but they actually over paid the fees for the construction permit application.

MS. ANDRIA: By how much?

MR. PATEL: $4,000.

MS. ANDRIA: So they still owe $6,000?

MR. PATEL: No, they actually over paid after counting everything for the hearing and the indirect heater source, everything was sent to and taking out the $10,000 for the hearing they are still over paid $4,000.

MS. ANDRIA: We would like to have a copy of that accounting because we are all seeing how many employees from the state and agencies are being cut and we really need to -- we have had so many services cut and we think that it's only fair that since that's the price of doing business a public hearing that they should pay that, like I said the company's in really good condition to be able to do that. I wondered whether you could tell me whether these turbines are going to be -- is there going to be staffed, are there going to be people on site operating them?

MR. ROMAINE: Has a decision been made on that point yet, Steve?

MR. WHITWORTH: There are staff at the plant, the plant is staffed.

MS. ANDRIA: They will be there all the time?

MR. WHITWORTH: It's not a 24/7 operation but there will be staff.

MS. ANDRIA: But when it's operating they will be there?

MR. WHITWORTH: I couldn't say they will always be there when they are operating.

MS. ANDRIA: That's a couple of reasons that we are concerned about, that one is security, one is that there is a history of having the problems in the past and then security and terrorism, we are supposed to look out for all these things.

MR. ROMAINE: I guess your question was whether the turbines would be staffed?

MS. ANDRIA: Yes.

MR. ROMAINE: That is a different question, there would be 24-hour security at the plant.

MS. ANDRIA: Security person who walks the premises I would not imagine has the technical expertise and the background to be there and address problems should they arise in terms of any

kind of emergency.

MR. ROMAINE: I guess I disagree, the reason you have security is to deal with security issues and if you're concerned about issues for potential for terrorism, that is why you have security.

MS. ANDRIA: But that was only one segment of my --

MR. ROMAINE: I am just responding to your issue, it is important to separate operational staff from security staff at the site.

MS. ANDRIA: Then my next question, the jobs, these communities here need jobs so since these peakers can be turned on from what I understand automatically somehow from some other place; is that correct?

MR. ROMAINE: Yes, it is.

MS. ANDRIA: That you should have that there should be more jobs. Are they connected -- is there an alarm with a local fire department, which fire department and is the fire department equipped to handle emergencies at the plant?

MR. WHITWORTH: I can't speak to that, I can find out for you.

MS. ANDRIA: Because I would assume Venice would not be whereas Granite City might be.

MR. ROMAINE: I am not sure about that. One of the advantages of turbines is that they don't store fuel on site so that the fire risk prevented by turbines are very different from facilities that have to store large amounts of fuel.

MS. ANDRIA: Is there any hazardous waste at all being stored on site?

MR. WHITWORTH: I don't know the exact answer to that, not in any large quantities, the facility's industrial solvents, things that you may classify as hazardous in very small quantities as part of the operations.

MS. ANDRIA: Could you check and also let us know that if there are and are there cooling towers?

MR. WHITWORTH: No.

MS. ANDRIA: Has construction begun on this yet?

MR. WHITWORTH: No.

MS. ANDRIA: I think I asked you this but I don't remember your answer, if they had netted

out -- if they had not netted out of PSD, what would have been backed?

MR. PATEL: I am waiting for simple cycle turbines that are IPPM per NOX.

MR. ROMAINE: Another way to express it is you have to buy your turbines from General Electric.

MR. PATEL: General Electric turbines are the only turbines held with IPPM.

MS. ANDRIA: Do you have something against General Electric, Steve?

MR. WHITWORTH: I don't make the purchasing decisions, I can't speak to that.

MS. ANDRIA: Have they been purchased yet, do you know, do we have some room to negotiate that?

MR. WHITWORTH: No, they're purchased.

MS. ANDRIA: Is this electricity going to go to Missouri as the paper indicated?

MR. WHITWORTH: I can't tell you exactly where the power goes at any given point in time, we have certain territories in Illinois as well as Missouri.

MS. ANDRIA: The air modeling that you

did, did the agency do its own modeling?

MR. PATEL: The agency after reviewing their submissions.

MS. ANDRIA: Whose inventory did you use, Missouri or Illinois?

MR. ROMAINE: This modeling did not require a regional inventory because the results of the modeling showed the project wasn't significant. We only go to the staff of looking at regional inventory for existing sources if a project by itself is having significant air quality impact.

MS. ANDRIA: To do the modeling, don't they have to know what is there and what is proposed to show that there is not going to be an impact?

MR. ROMAINE: To do the modeling they have to know what the project is to evaluate whether the project would have a significant air quality impact.

MS. ANDRIA: I'm really puzzled because I have yet to see when a company goes to an engineering firm to get air modeling done for whatever project, they always find that there's no

negative impact but yet we are still in non-attainment, something's wrong, there is some kind of disconnect between modeling and reality.

MR. ROMAINE: First of all you are commenting on non-attainment situations as we explained given cumulative impacts of multiple sources, we did not request nor did we expect Ameren to perform modeling for ozone, when we are talking about modeling we are talking about modeling for the attainment.

MS. ANDRIA: There was nothing done with PM 2.5?

MR. ROMAINE: No.

MS. ANDRIA: Because...

MR. ROMAINE: Because at this point in time the area is still an attainment area, there is no PM 2.5 designation.

MS. ANDRIA: It's been proposed to be PM 2.5 non-attainment by your own agency and that decision is about to be made and this construction permit is going forward into the future and I would think if we are going to be non-attainment in December or whenever that is that it should be taken into account.

MR. ROMAINE: What rules would you apply for non-attainment for PM 2.5?

MS. ANDRIA: The rule of common sense and rule of concern for citizens.

MR. ROMAINE: My response there is we have to apply the adopted regulations. We at this point do not have a significant criteria to say what is significant for PM 2.5. US EPA has not adopted regulations to explain how non-attainment New Source Review should be applied for PM 2.5 so you are asking us to take a position in circumstances where we have no informal US EPA guidance or regulations to act from. Do you believe that this project would be significant for PM 2.5?

MS. ANDRIA: I do not know since --

MR. ROMAINE: And neither do we.

MS. ANDRIA: You are letting an awful lot of things go by, I mean we've got the Peabody Plant which is I believe is going to be significant for PM 2.5, the new Olson Plant is going to be significant. Granite City which is not very far, just a little bit away from this plant is definitely non-attainment for PM 2.5. The meters

are always spiking so I think it's something that the agency should look at.

MR. ROMAINE: What are the particulate matter emissions from for example Peabody?

MS. ANDRIA: You didn't do it.

MR. ROMAINE: So it isn't affirmative yet.

MS. ANDRIA: I don't think that is a good excuse.

MR. ROMAINE: You are asking us to do something that we don't have regulatory basis to do it and you are also asking here is a project that only emits -- or is permitted to emit 14.6 tons of particulate matter and you can't tell me why you think it's significant.

MS. ANDRIA: I think it's significant because there are thousands of children in Venice, Madison, East St. Louis, Brooklyn, Granite City, I could go on, keep going on who have asthma who are very concerned about this.

MR. ROMAINE: I respect that but then to make the linkage between 15 tons of particulate matter and asthma requires a regulatory linkage.

MS. ANDRIA: How much more water will be

used with this new technology than before?

MR. ROMAINE: None.

MR. WHITWORTH: New technology, I don't understand?

MS. ANDRIA: You are doing different turbines, different kinds of things, are you going to be using more water than you did before?

MR. WHITWORTH: No.

MS. ANDRIA: With this permit if they wanted to put one huge turbine instead of the three big or the two big ones and the littler one, would that require -- would you consider that big enough to a modification to require public notification?

MR. ROMAINE: It's not even relevant, Steve?

MR. WHITWORTH: I don't know, Chris.

MR. ROMAINE: Is that something your management might decide to do?

MR. WHITWORTH: Not at this facility, the equipment is purchased for this facility.

MS. ANDRIA: It is purchased, okay, sorry, I had the question before I remembered that. I have a couple questions about noise, which direction are you going to have the air intakes

pointed?

MR. WHITWORTH: I can look at the permit application and show you later, I can't remember right off the top --

MS. ANDRIA: There is some neighbors that are pretty close in Venice here and I just wanted to make sure that they have the opportunity to have the least amount of noise as possible.

MR. WHITWORTH: I will have to look at the design.

MS. ANDRIA: The other side of the river I think there is not close neighbors, I think that's industrial down there. Your water that you put into the Mississippi river, will that change any -- any kind of change in that?

MR. WHITWORTH: I guess we are not -- I don't have specific knowledge about the water or the permitting so I can't really answer that question.

MS. ANDRIA: Is there the possibility that this is being used as a peaker plant just as a place holder for making this into another full time power plant?

MR. ROMAINE: I don't think that's

possible, no.

MS. ANDRIA: Because. . .

MR. ROMAINE: The amount of emissions the facility is being permitted for.

MS. ANDRIA: But that is for now, you have already indicated that they could apply for modification.

MR. ROMAINE: And they would have to again demonstrate that the project wasn't significant or comply with PS 2 rules with best available controlled technology if it were a major project.

MS. ANDRIA: Are they required to submit a testing plan?

MR. PATEL: Yes.

MS. ANDRIA: Have they done so?

MR. PATEL: That would be after the permit, once they construct the turbines and before they do the testing they would be submitted.

MS. ANDRIA: Are those usually reviewed, do you guys have time with all the stuff you are doing?

MR. PATEL: Yes, we have a section they review -- permit section don't review the testing.

MS. ANDRIA: You can send someone out to observe the testing, can't you, because we'd like to request that you do that when that comes time. Has this been inspected this year?

MR. ROMAINE: I don't know.

MS. ANDRIA: I didn't see a record of it. I requested inspection records, I got one from several years ago, I got two, they were from several years ago so I don't think it's been inspected and I will go back to the comment that I made at the Conico Premcor (spelled phonetically) hearing before you issue a permit I think you need to do inspections especially when there is a history of problems with the facility and even though these are new turbines and I don't understand what all is going to be connected and what all went on with the fire and everything but I would request that you do any kind of inspection and check the compliance of whatever they're under now with the quality assurance or whatever they did, I mean those are two really important things to us living here is enforcement and compliance, we think there's been a lot of less stringent enforcement and compliance in this area which is

probably part of the reason why so many kids have asthma, most of the reason is because there is just too many sources including man, citizens and driving, I don't put it all to industry. Are you familiar, Chris, with the enforcement things that were done with regard to the fire and I think there were four different enforcement actions on the record, I was wondering was there a community benefit to any of them?

MR. ROMAINE: I am not aware of the details of that. Brad, do you recall anything?

MR. FROST: No, I don't.

MR. ROMAINE: Steve, do you recall anything on the resolution of enforcement with regard to the fire?

MR. WHITWORTH: No, I wasn't involved.

MS. ANDRIA: There weren't any supplemental environmental projects or anything? I didn't see any record of that either.

MR. WHITWORTH: I wasn't involved with that portion of it, I can try to find out.

MS. ANDRIA: Another question, this is not my question, it was suggested to me, in the past we have seen half emission factors using AP 42

instead of ICCR. If they had used AP 42 would the numbers be the same?

MR. ROMAINE: Have you seen -- does that circumstance apply for natural gas fire turbines?

MS. ANDRIA: This is not my question, I do not know.

MR. ROMAINE: I don't believe that question is relevant for natural gas turbines. I believe the information collection request, the ICR, reflection of information about coal and maybe oil fired power plants, it did not address natural gas.

MS. ANDRIA: The person who asked that question is in travel right now so I can't ask her what she was suggesting by that.

MR. ROMAINE: I guess in follow up, one of the things that is required of the new turbines is to test for formaldehyde emissions to get site specific data for that hazardous air pollutant of greatest concern which should hopefully give a number that turns out to be no greater than was estimated by AP 42 which I believe was the source of data or was there a specific --

MR. WHITWORTH: ICCR.

MR. ROMAINE: I speak incorrectly. Did you say ICCR, you mean -- (short break) we are not impacting that, I spoke incorrectly.

MS. ANDRIA: I'd like to give someone else a chance and collect a couple questions that I have because I do have some other questions.

MR. MATOESIAN: Is there anyone else who would like to make any comments or ask any questions?

MS. LOGAN-SMITH: I have one question, it's Kathleen Logan-Smith with a K and I just have one question because I live on the Missouri side of the river, does the Missouri Public Service Commission have any kind of oversight of this plant or is it strictly an Illinois issue?

MR. WHITWORTH: It's part of the rate regulated utility Ameren U.E.

MS. LOGAN-SMITH: So Public Service Commission will have some kind of role for at least the outcome rates?

MR. WHITWORTH: Yes.

MR. MATOESIAN: Any other questions? Anyone else?

MS. ANDRIA: You talked about the testing

for formaldehyde, formaldehyde at the Wood River Plant is really very high, I noticed --

MR. ROMAINE: What Wood River Plant?

MS. ANDRIA: The Ameren Wood River Plant.

MR. ROMAINE: Ameren does not own the Wood River Plant.

MS. ANDRIA: It doesn't? Union Electric?

MR. ROMAINE: No.

MS. ANDRIA: That plant which I think has the same kinds of turbines maybe is a natural gas plant, anyway the formaldehyde emissions are very high.

MR. ROMAINE: I guess I'm going to have to be specific, the Wood River Power Plant that is operated by Dynagee has two coal fired boilers, it also has three non coal fired boilers but it's a boiler based plant, to my knowledge it doesn't operate combustion turbines.

MS. ANDRIA: Is formaldehyde a by product of burning natural gas?

MR. ROMAINE: I think that's a way to express it, it's the organic hazardous air

pollutant that is present in the greatest quantity from burning natural gas. Formaldehyde is found in most combustion processes as a by product. For certain other combustion products, there are other pollutants that are present in higher quantities that are considered indicator species or the governing species.

MS. ANDRIA: In the chart and I don't remember what the chart is called but when they did the testing they had the number of different pollutants that they were testing, the aldehydes and most of them were like seven or fewer tests and formaldehyde was 22, I was wondering if that was a significant number, why it was so much higher than anything else?

MR. ROMAINE: Simply because people go after testing formaldehyde because of the component present in the greatest amounts so people when they were developing test requirements, there are more requests that simply say test formaldehyde than requests that say test formaldehyde and other components.

MS. ANDRIA: It's not like you keep doing it till you get it right?

MR. ROMAINE: No.

MS. ANDRIA: Remember I am not an engineer.

MS. LOGAN-SMITH: Or a chemist.

MS. ANDRIA: Or a chemist. I think you said something, Chris, about New Source Review, I asked the question, I don't remember the answer about the difference in the New Source Review rules now and you said that you were going with what was legally required but my question is isn't the New Source Review change, isn't that in court and would that not have an impact on this should it be found that those -- that there is a problem with those and EPA will have to get rid of them, would that impact this, could you redo this?

MR. ROMAINE: We also said that New Source Review reform doesn't affect permitting this project, the issues that are before the Courts are pieces of the New Source Review rules that apply to this project. The issues that New Source Review reform was dealing with was modification for the most part, changes to existing emissions, New Source Review reform might have been relevant if Ameren had come forward and decided to make changes

to the existing boilers to keep them in service, increase capacity, make other changes to those existing boilers however for a project like this where Ameren is proposing to build new emission units, new combustion turbines, the MSR rules are the same old MSR rules. There are some extra tweaks but in terms of applicability, the big issue people are concerned with and State of Illinois is concerned with with regard to New Source Review reform, those issues aren't at issue for this project. Now don't go for clean units guys.

MS. ANDRIA: I think I asked part of this question but I don't remember if I got this answer, the number of hours that the units were operating that went into the determination of the netting, is that something that's been quantified, do we know how many hours or was it only the hours that they operated and is that quantified somewhere, I think you said that the netting come from what the reductions was from when they were operating but is that all quantified somewhere that we can see it very clearly?

MR. PATEL: You mean the actual emissions from the boilers?

MS. ANDRIA: Right.

MR. PATEL: Those were the actuals for when they operated that were emitted.

MS. ANDRIA: Do we know how many hours that was or is that just over a time?

MR. PATEL: That is correct, that was before then submitted by the facility and is based on the actual operating hours and or fuel usage.

MS. ANDRIA: So we should be able to figure out how it worked because it still seems -- netting seems to me one of those really problematic things. I was also wondering the units on the emissions calculations you have got the hours of operation, two of them operate for a thousand hours and one for 700 and I was wondering if that was anything significant?

MR. PATEL: That was estimated hours estimated for the different units and fuel unit is actually the limit that would be right from that that was limiting the permit.

MS. ANDRIA: Is one cleaner, is the smaller one dirtier, the turbines?

MR. PATEL: Looking at the emission rates for the smaller, I mean actually NOX emissions are

lower for the smaller compared to the two larger ones parts per hour and for CO it's the other way around, parts per hour -- actually you should look at the competing for rate base numbers which are about same for the NOX parts per million if you look at the table in the permit attachment A, table 2A and table 2B has parts per million for turbines in the permit. For CO the larger turbines are almost half.

MS. ANDRIA: The top one is for each of the two units or is that a combined total?

MR. PATEL: No, it's for each.

MS. ANDRIA: So the smaller one is a lot more in carbon monoxide?

MR. PATEL: Higher rate.

MS. ANDRIA: On page 3 of the predictions of air quality impact, the first thing, is that a whole unit, the one that has got 200 on oil fuel, what is that unit? The one that is marked in yellow.

MR. PATEL: Oil should not be there.

MS. ANDRIA: That is what I thought.

MR. PATEL: They are not permitted for the fire fuel oil. What this is existing turbine,

I am sorry, turbine No. 2 which is permitted for the fuel oil.

MS. ANDRIA: So that one is just continuing?

MR. PATEL: It took into consideration for that according, but this project does not permit -- it's already permitted.

MS. ANDRIA: So there is some carry over, it's not a totally new plant, there is some carry over from the old plant?

MR. PATEL: In terms of air quality, yes, which are considered.

MS. ANDRIA: I think those are all my questions, I thank you for your consideration.

MR. MATOESIAN: Does anyone else have any questions or comments? If not then I will close this hearing. Once again on behalf of Renee Cipriano, the director of Illinois Environmental Protection Agency, Bureau of Air and myself, I thank you all for coming, meeting is adjourned. I would like to enter into the record the facts sheet that was presented by Ameren as Exhibit 1.

STATE OF ILLINOIS)
) SS.
COUNTY OF CLINTON)

I, Kimberly Gammon, do hereby certify on oath that the above and foregoing transcript is a true and correct transcript of the proceedings had in the above-entitled cause on the date set forth herein.

Dated this _____ day of _____ 20__.

_____

Kimberly Gammon, CSR 084-3586