

1           BEFORE THE ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

2           IN THE MATTER OF:  PROPOSED           )  
3           ISSUANCE OF A STATE CONSTRUCTION    )  
4           PERMIT FOR PPL GLOBAL, LLC,           )  
            UNIVERSITY PARK                    )

5                               REPORT OF PROCEEDINGS taken at the  
6           hearing of the above-entitled matter, held at  
7           635 Olmsted Road, University Park, Illinois,  
8           before Hearing Officer William Seltzer, reported by  
9           Janice H. Heinemann, CSR, RDR, CRR, a notary public  
10          within and for the County of Du Page and State of  
11          Illinois, on the 26th day of April, 2001,  
12          commencing at the hour of 7:00 p.m.

13

14          IEPA APPEARANCES:

15                 MR. WILLIAM SELTZER, IEPA Hearing Officer;

16                 MR. CHRISTOPHER ROMAINE, BOA, Manager, Utility  
                    Unit, Permit Section;

17

                    MR. BRAD FROST, Community Relations.

18

19

20

21

22

23

24

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24

I N D E X

PROCEEDINGS

PAGES

Hearing Officer's opening statement	3 - 5
Presentation by Mr. Romaine	5 - 9
Presentation by Mr. Kiefer	10 - 12
Presentation by Mr. Wells	12 - 15
Motion by Ms. Sharkey	16 - 17
Hearing Officer's Closure of Hearing	18

EXHIBITS

Exhibit No. 1	16
(Overhead copies)	

1           HEARING OFFICER SELTZER: Let's go on the  
2 record. Good evening, everybody. My name is Bill  
3 Seltzer. I'm an attorney with the Environmental  
4 Protection Agency, and I have been asked to be the  
5 hearing officer for tonight's process. The title  
6 of this hearing is regarding the proposed issuance  
7 of the state construction permit for PPL Global,  
8 LLC, a hearing that's taking place in University  
9 Park, Illinois, Crete-Monee Middle School.

10           I'm going to note for the record that  
11 we apparently have nobody here from the general  
12 public at this point in time. The hearing was set  
13 to start at 7 o'clock. It's now 7:09 p.m. There  
14 are a number of people in attendance. And if  
15 Counsel has no objection, I'm going to ask that  
16 they introduce themselves for the record. They are  
17 all either working for or employed by or somehow  
18 associated with the applicant or the project.

19           We will begin, though, this evening by  
20 introducing the other people that are present from  
21 the IEPA. Mr. Romaine.

22           MR. ROMAINE: My name is Chris Romaine.  
23 I'm manager of the utility unit in the air permit  
24 section. Also with us this evening is Brad Frost,

1           our community relations officer for the air  
2           program. He's located outside in the reception  
3           area.

4                   HEARING OFFICER SELTZER: Thank you. I'm  
5           going to ask Counsel for the applicant to introduce  
6           herself and the people that are with her.

7                   MS. SHARKEY: My name is Pat Sharkey. I'm  
8           with Mayor, Brown & Platt. I'm representing  
9           PPL University Park and the proposed power project.  
10          With me we have other representatives of PPL and  
11          consultants who I will allow to introduce  
12          themselves.

13                   MS. SWEIGART: My name is Krista Sweigart,  
14          and I'm counsel for PPL University Park.

15                   MR. KIEFER: My name is James Kiefer. I'm  
16          the director of operations for PPL Global.

17                   MR. WELLS: My name is Robert Wells. I'm a  
18          senior consultant with URS Corporation, consultant  
19          to PPL University Park.

20                   MR. KARAFKA: My name is Dean Karafa. I'm  
21          with EME, and I'm an owner's engineer for the  
22          project.

23                   MR. NELSON: My name is Thomas Nelson, and  
24          I'm with URS Corporation. I'm the environmental

1 project manager for the University Park project.

2 MR. MAHONEY: I'm George Mahoney. I'm an  
3 attorney with the law firm of Mahoney,  
4 Silverman & Cross, 2701 Black Road, Joliet,  
5 Illinois. I represent PPL.

6 MR. PERRY: My name is Sandy Perry. I'm a  
7 resident of Crete Township. I am also an  
8 independent realtor. I represent the seller of the  
9 land of the site.

10 HEARING OFFICER SELTZER: We will start  
11 this evening with a short presentation by  
12 Mr. Romaine on behalf of the Agency.

13 MR. ROMAINE: Good evening again. I would  
14 just like to provide a very brief description of  
15 the proposed project that we are here to discuss  
16 tonight. PPL Global has requested a construction  
17 permit for a new electric generation facility in  
18 University Park. The project would be located on a  
19 roughly 20-acre site on the east of Interstate 57,  
20 adjacent to the Constellation, University Park,  
21 project.

22 The proposed facility is designed to  
23 function as a peaking power station. Peaking  
24 plants generate electricity in peak demand periods

1 and at other times when other power plants are not  
2 available due to scheduled or unexpected outages.  
3 In Illinois, peak power demand typically occurs  
4 during daylight hours on hot summer weekdays due to  
5 the power demands for air conditioning.

6 The proposed facility would use 12 gas  
7 turbines to generate up to 530 megawatts of  
8 electricity. Electrical generators in the shaft of  
9 the turbines would directly produce power. One of  
10 the advantages of a turbine, unlike a steam power  
11 plant, is that it can be quickly turned on or off  
12 in response to changing demand for power.

13 The facility will only burn natural  
14 gas, which is the cleanest commercially available  
15 fuel. Natural gas does not contain significant  
16 amounts of sulfur or ash as present in coal or oil.  
17 The pollutant of interest for burning natural gas  
18 is nitrogen oxides or NOx. NOx is formed when  
19 nitrogen and oxygen in the atmosphere combine  
20 during the high temperature of a combustion  
21 process. The NOx emissions from the proposed  
22 turbines would be effectively controlled by low NOx  
23 burners. This would limit emissions to no more  
24 than 25 parts per million during normal operation.

1                   To further control emissions of NOx,  
2                   PPL has proposed to install add-on NOx control  
3                   devices on the exhaust of the turbines. These  
4                   devices would use selective catalytic reduction  
5                   technology. In this technology, ammonia is used to  
6                   restore NOx in the exhaust to nitrogen, which makes  
7                   up the air that we breathe, most of the air that we  
8                   breathe. This selective catalytic reduction system  
9                   will allow the turbines to be operated to comply  
10                  with an emission limit of 5 ppm of NOx.

11                  PPL Global has also proposed to  
12                  install an oxidation catalyst system in the exhaust  
13                  of the turbines. This system will control  
14                  emissions of carbon monoxide and volatile organic  
15                  material which are products of incomplete  
16                  combustion. Because PPL would be using add-on  
17                  control systems, whose performance could vary  
18                  depending on how the control systems are operated,  
19                  the permit does require continuous emission  
20                  monitoring to track emissions of nitrogen oxides  
21                  and carbon monoxide.

22                  The proposed project is not considered  
23                  a major source under the federal prevention of  
24                  significant deterioration rules or the

1 nonattainment new source review rules. This is  
2 because the permitted emissions of pollutants from  
3 the facility would be less than the major source  
4 thresholds. For projects that are not major, an  
5 air quality analysis is not required by applicable  
6 rules. However, PPL Global has had an air quality  
7 study performed to evaluate the air quality impacts  
8 from the proposed projects. This analysis  
9 addresses pollutants other than ozone. This  
10 analysis indicates that air quality would comply  
11 with ambient standards. The facility would not  
12 have significant impacts on air quality. And when  
13 one considers other nearby power plants such as the  
14 Constellation facility, air quality would not be  
15 threatened.

16                   With respect to ozone, the facility  
17 would not have any effect on local air quality as  
18 ozone forms gradually as precursor compounds react  
19 in the atmosphere. The NO<sub>x</sub> emissions of this new  
20 facility would be only a small fraction of the  
21 decreases in the NO<sub>x</sub> emissions that are being  
22 required as part of Illinois' NO<sub>x</sub> trading program,  
23 which is going to roll back NO<sub>x</sub> emissions from  
24 existing electric utilities throughout Illinois.

1 This program is being designed to facilitate  
2 compliance of the ozone air quality standard in  
3 Chicago and in other areas downwind of Chicago.

4 In summary, the Illinois EPA has  
5 reviewed the materials submitted by PPL Global and  
6 has determined that the application for this  
7 project shows that it will comply with applicable  
8 state and federal standards. We have prepared a  
9 draft permit of the construction permit that we  
10 would propose to issue that sets out the conditions  
11 that we would place on a facility to assure  
12 continuing compliance.

13 If there are any questions about this  
14 project or comments on the proposed permit, we  
15 would certainly like to hear them this evening. We  
16 certainly welcome any comments or questions that  
17 there might be on this project. Thank you again  
18 for coming this evening.

19 HEARING OFFICER SELTZER: Thank you,  
20 Mr. Romaine.

21 Ms. Sharkey, I will ask if you wish to  
22 put on a presentation this evening. If so, please  
23 go ahead and do it now.

24 MS. SHARKEY: Yes. Thank you.

1                   Mr. Hearing Officer, at this time I  
2 would like to introduce Jim Kiefer, who introduced  
3 himself earlier on the record, to provide an  
4 introduction to the company on behalf of the  
5 company.

6                   MR. KIEFER: Good evening, ladies and  
7 gentlemen, Mr. Hearing Officer. Thank you for the  
8 opportunity to present some specific information  
9 regarding PPL, PPL University Park. PPL and its  
10 affiliates currently operate generation and  
11 electric transmission facilities in seven states  
12 as well as the United Kingdom, Europe, and Latin  
13 America. PPL through its affiliates buy and sell  
14 power in 42 states and Canada. Currently PPL  
15 operates approximately 10,000 megawatts of  
16 generation facilities including 27 gas turbine  
17 simple-cycle generation units. PPL has  
18 approximately 4,000 megawatts of generation  
19 facilities under development in the United States  
20 and serves approximately 5.3 million customers  
21 through PPL Global and PPL utilities.

22                   Why are we siting this facility, why  
23 are we proposing to site this facility in  
24 University Park? Primarily demand. We project the

1 need of consumers to continue to grow within the  
2 northern Illinois area. Electricity is consumed  
3 unlike any other commodity. It moves at the speed  
4 of light. We cannot store it. It moves through  
5 the existing grid system to the point of need. The  
6 development of a facility such as PPL University  
7 Park can require several years to complete.  
8 Typically, we see the need for this facility to be  
9 during the summer and during daylight hours and the  
10 primary customers to be located within Commonwealth  
11 Edison's service territory.

12 This project is a simple-cycle gas  
13 turbine generation facility. For clarification,  
14 simple-cycle generation projects are designed to  
15 start and meet the demands of the consumers in the  
16 area and shut down when the demand decreases.

17 Simple cycle means there is no heat  
18 recovery and no steam turbine and related  
19 facilities required. Simple cycle and combined  
20 cycle are the two viable gas-fired technologies  
21 available today. For comparison, simple cycle  
22 typically is more simple mechanically, starts  
23 faster in order to meet short-term need, and uses  
24 less water per megawatt hour generated.

1                   The advantages of PPL University Park  
2 we feel is that it is among the lowest emitting NOx  
3 sources of any simple-cycle power plant in Illinois  
4 that we are aware of. It's in an existing  
5 industrial park. It's a very concentrated use of  
6 land. It has limited off-site impacts. Power is  
7 adjacent to the property. The gas pipeline needed  
8 for fuel is located within 3,000 feet in the  
9 existing industrial park. And this facility uses  
10 approximately 90 percent less water than a  
11 combined-cycle plant of the same capacity.

12                   Thank you for the opportunity to talk  
13 about this project. We look forward to any  
14 questions.

15                   HEARING OFFICER SELTZER: Thank you.

16                   MS. SHARKEY: Thank you. At this time we  
17 would ask Bob Wells, who is with URS, to give a  
18 presentation just hitting the highlights of this  
19 facility and the air permit.

20                   HEARING OFFICER SELTZER: Thank you.  
21 Proceed, please.

22                   (Overhead slide presentation:)

23                   MR. WELLS: Good evening. Thank you.  
24 Thank you for coming.

1                   Mr. Romaine covered a great deal of  
2                   the detail of the facility, and I think a lot of  
3                   the important points that need to be understood. I  
4                   am going to very briefly review some of these and  
5                   point out a couple of aspects of the project that  
6                   are particularly significant.

7                   The facility, as Mr. Romaine said,  
8                   consists of 12 GE LM6000 turbines with associated  
9                   air pollution control modules to be located on the  
10                  site on Dralle Road. With regard to air emissions,  
11                  the facility achieves very low emission rates for  
12                  NOx by virtue of the naturally low emissions of gas  
13                  turbines combined with selective catalytic  
14                  reduction such that it achieves the lowest NOx  
15                  emissions of any simple-cycle turbine project that  
16                  we are aware of in the State of Illinois. In  
17                  addition, the oxidation catalyst reduces emissions  
18                  of both carbon monoxide and volatile organic  
19                  materials. The facility will be measured with  
20                  respect to both of these pollutants with continuous  
21                  emission monitors so that the permit conditions can  
22                  be enforced.

23                  The other notable point is that the  
24                  project also achieves low start-up emissions by

1 virtue of its design; first because the turbines  
2 will start up in a very brief period over a period  
3 as short as six minutes, and second because the air  
4 emission controls will maintain low emissions of  
5 CO even during that start-up.

6                   Regarding the dispersion modeling  
7 study, the notable point that I would like to add  
8 to Mr. Romaine's remarks is that, in addition to  
9 the project, we modeled five additional facilities  
10 within approximately ten miles of the facility  
11 including the Constellation plant that is under  
12 construction immediately to the south. These  
13 additional power projects were identified by  
14 Illinois EPA and we included them in our analysis  
15 so that the results of our analysis reflects the  
16 combined impact of multiple facilities that are in  
17 the region.

18                   Referring briefly to the graphical  
19 summary of the results, one can see that ambient  
20 air quality in the area, which is reflected by  
21 Illinois EPA monitoring sites operated in Will  
22 County, are well below the national ambient air  
23 quality standards, the criteria established by the  
24 United States Environmental Protection Agency as

1 ambient levels protective of human health.

2 The dark blue on each of the bars  
3 reflects the impacts of all of the facilities  
4 except the PPL University Park project in the area  
5 where PPL University Park has its highest relative  
6 impacts. The green reflects the impacts of PPL  
7 University Park. And the reason that the green is  
8 not visible on virtually all of the bars is that  
9 the impacts are very small and are a small fraction  
10 of current ambient air quality and an even smaller  
11 fraction of the ambient air quality standards.

12 So in conclusion, the project will  
13 have low air emissions. The project will achieve  
14 those emissions in part because for the first time  
15 for a simple-cycle project in Illinois we will have  
16 active controls for both NOx and CO emissions. We  
17 will be using continuous monitors to measure those  
18 NOx and CO emissions and demonstrate compliance  
19 with our permit, and the air quality in the  
20 University Park area will be protected.

21 Thank you.

22 HEARING OFFICER SELTZER: Thank you very  
23 much.

24 Counsel, during the presentation,

1           there were some overheads that were used.  Would  
2           you produce those overheads for the record?  We  
3           will mark them as Group Exhibit 1.

4                       MS. SHARKEY:  Here is a copy for the court  
5           reporter, and here is a copy here.

6                       HEARING OFFICER SELTZER:  Thank you,  
7           Counsel.  Do you have anything else?

8                       MS. SHARKEY:  Yes.  Mr. Hearing Officer, we  
9           note that there have been no members of the public  
10          present at the hearing.  We understand based on  
11          inquiry of the Agency that there has also been no  
12          public comment received during the 45 days prior to  
13          this hearing in which the permit was noticed and  
14          available on the Internet.  We would like at this  
15          time to make a formal request of the hearing  
16          officer that the published public comment period be  
17          abbreviated based on what appears to be a lack of  
18          concern by the public or interest in this project.

19                       At this point you may be aware that  
20          there is an extension, that the 180 days that is  
21          established by rule for the Agency's action on the  
22          permit expired, I believe, on February 14.  The  
23          company provided a 90-day waiver.  That waiver  
24          expires on May 15.  We would like to be in a

1 position to actually have action on this permit, if  
2 at all possible, by or before that date. Based on  
3 the desire to do that and due to the fact that the  
4 company will suffer detriment by virtue of delays  
5 beyond that date, we would like to request that the  
6 published comment period, which is currently  
7 May 26, be shortened and that one week be allowed  
8 from today's date for public comments, additional  
9 public comment, and that the public comment period  
10 then would close on -- I have to do my calculation  
11 here, but --

12 HEARING OFFICER SELTZER: A week from  
13 today.

14 MS. SHARKEY: -- a week from today.

15 HEARING OFFICER SELTZER: Thank you,  
16 Counsel. I'm going to take your motion under  
17 advisement. And when I have made a decision, I  
18 will mail you a copy of whatever order is issued.  
19 A copy of the order will also appear on our Web  
20 page.

21 Let's go off the record for a minute.

22 (Discussion outside the record.)

23 MR. DEMSKI: I'm Ron Demski, and I work  
24 with EME.

1 HEARING OFFICER SELTZER: Thank you.

2 With regard to your motion, can you  
3 give me a few minutes to talk with our people.

4 MS. SHARKEY: Thank you.

5 (Discussion outside the record.)

6 HEARING OFFICER SELTZER: I want to  
7 reiterate that the notice that was issued in this  
8 matter indicated that the record would close  
9 midnight May 26 of this year. A motion has been  
10 made to shorten that time period. I have had a  
11 conversation off the record with the attorneys  
12 representing the applicant. I indicated that I  
13 will rule on the motion, and hopefully I will make  
14 every effort to have enough information to rule on  
15 the motion this coming Monday.

16 I want to thank you all for your  
17 participation. Before we adjourn, I will just ask  
18 if there is anything else further this evening; if  
19 not, we will adjourn.

20 Nothing else? Okay. Thank you all  
21 for your participation.

22 \* \* \*

23 (Which were all the proceedings  
24 had in the above-entitled cause.)

1 STATE OF ILLINOIS )  
2 ) ss.  
3 COUNTY OF DU PAGE )  
4  
5  
6  
7  
8

9 I, JANICE H. HEINEMANN, CSR, RDR, CRR,  
10 do hereby certify that I am a court reporter doing  
11 business in the State of Illinois, that I reported  
12 in shorthand the testimony given at the hearing of  
13 said cause, and that the foregoing is a true and  
14 correct transcript of my shorthand notes so taken  
15 as aforesaid.

16  
17  
18  
19  
20  
21  
22  
23  
24

Janice H. Heinemann, CSR, RDR, CRR  
License No. 084-001391