

To: Pruitt, Scott[Pruitt.Scott@epa.gov]
Cc: Shapiro, Mike[Shapiro.Mike@epa.gov]; Dravis, Samantha[dravis.samantha@epa.gov]; Jordan, Ronald[Jordan.Ronald@epa.gov]; Ramach, Sean[Ramach.Sean@epa.gov]; kevin.bromberg@sba.gov[kevin.bromberg@sba.gov]; OW-Docket[OW-Docket@epa.gov]; Brown, Doug[Doug.Brown@cwlp.com]
From: Williams, Deborah J
Sent: Thur 5/11/2017 9:48:31 PM
Subject: EPA Docket ID No. EPA-HQ-OW-2009-0819
[LTR to EPA-HQ-OW-2009-0819.pdf](#)

Administrator Pruitt,

Please find the attached supporting documentation from the City of Springfield, Office of Public Utilities regarding reconsideration of the Effluent Limitations Guidelines and Standards for the Steam Electric Power Generating Point Source Category (EPA Docket ID No. EPA-HQ-OW-2009-0819).

Sincerely,

Deborah J. Williams

Regulatory Affairs Director

City of Springfield Office of Public Utilities

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Springfield, Illinois 62701

(217) 789-2116 ext. 2628



OFFICE OF PUBLIC UTILITIES
CITY OF SPRINGFIELD, ILLINOIS

JAMES O. LANGFELDER, MAYOR

May 11, 2017

Scott Pruitt, Administrator
Environmental Protection Agency
1200 Pennsylvania Ave, N.W.
Washington, D.C. 20460

Re: Effluent Limitations Guidelines and Standards for the Steam Electric Generating Point Source Category; Docket ID No. EPA-HQ-OW-2009-0819, Final Rule, 80 Fed. Reg. 67,837 (November 3, 2015)

Dear Administrator Pruitt,

I am writing as Chief Utility Engineer for the City of Springfield, Office of Public Utilities. The City of Springfield, Illinois owns and operates the small municipal utility referred to as City Water, Light and Power (CWLP) and provides electric power to its citizens, approximately 68,000 customers, the residents and commercial businesses of Springfield and surrounding areas. I am writing in with regard to the recently announced reconsideration of the Effluent Limitations Guidelines and Standards for the Steam Electric Generating Point Source Category rulemaking and in support of the regulatory petitions to reconsider and modify this rulemaking filed by the Utility Water Act Group and the Small Business Administration's Office of Advocacy. See, 82 Fed. Reg. 19005 (April 25, 2017).

Indirect dischargers like CWLP, subject to the pretreatment standards for existing sources, are disproportionately impacted by the ELG rule. Although EPA has not identified which individual utilities are subject to these requirements, CWLP believes that most, if not all, of the facilities impacted are also small publically owned utilities.

CWLP supports the efforts to reopen the ELG rule for reconsideration and hopes that EPA will seek a formal remand of the pretreatment standards for existing sources in 40 C.F.R. §423.16 from the Court of Appeals. In any reevaluation of the ELG rule, EPA should consider eliminating the pretreatment standard for existing sources from the rule due to the excessive costs imposed on indirect dischargers like CWLP and lack of environmental benefit. EPA should also consider exempting smaller facilities from certain additional discharge requirements of the ELG rule.

Please find attached our statement of the impact of these provisions on CWLP and its customers. Contact me at doug.brown@cwlp.com or 217-789-2116 ext. 2636 if you have any questions.

Sincerely,

Douglas A. Brown, P.E.
Chief Utility Engineer

Effluent Limitations Guidelines and Standards for the Steam Electric Generating Point Source
Category
Final Rule, 80 Fed. Reg. 67,837 (November 3, 2015)

STATEMENT OF IMPACT ON CITY OF SPRINGFIELD ILLINOIS
and in support of petitions to reconsider of Utility Water Act Group and Small Business
Administration, Office of Advocacy
Docket ID No. EPA-HQ-OW-2009-0819

The City of Springfield, Illinois owns and operates the small municipal utility referred to as City Water, Light and Power (CWLP) and provides electric power to its citizens, approximately 68,000 customers, the residents and commercial businesses of Springfield and surrounding areas.

Springfield provided comments on the proposed Effluent Limitations Guidelines and Standards for the Steam Electric Generating Point Source Category (“ELG”) rule, but the final rule was published with significant changes from the original proposal that did not take into account these comments and, in fact, created new obstacles and financial burdens. The ELG’s pretreatment standards for FGDS wastewater from existing sources (PSES) are unnecessarily stringent and costly, provide no environmental benefit—as it relates to CWLP—and have an impractical deadline to achieve.

CWLP currently operates four coal-combustion units that utilize Illinois coal; three of these were placed into service in 1968, 1972 and 1978, and a fourth went online in 2009. While many smaller units in the country have been targeted for closure, CWLP has maintained a continuous commitment to plant maintenance and an aggressive program of plant investment to assure the most efficient combustion of fuel economically justified while maintaining current emissions control requirements. As a result, these plants are cost effective and clean units that have substantial remaining economic value. In 2009, CWLP began commercial operation of a new coal-fired unit, Dallman Unit 4, replacing its Lakeside units, which lacked modern pollution controls. Dallman Unit 4 won accolades from engineering and environmental groups alike. It was constructed with a dry ash handling system, and has some of the most advanced air pollution controls of any power plant in the country.

Although EPA visited CWLP’s electric generation facilities in developing the technology standards for the ELG rule and complimented CWLP on its progressive approach to pretreating the wastewater stream from its scrubbers (FGDS wastewater), under the final ELG rule this progressive approach still will not achieve compliance with the PSES. Prior to adoption of the ELG rule, CWLP installed an on-site treatment facility in 2009 for \$15 million. After on-site treatment, the FGDS wastewater is sent for additional treatment to the local publically operated treatment works (POTW) at a cost of \$1.5 million per year.

It is believed that CWLP is one of only six utilities in the country who send their FGDS wastewater to a POTW and one of just three that have a pretreatment system for this stream before it goes to a POTW. For other facilities, the deadline for compliance with the ELG requirements for FGDS wastewater will be as long as 2023, while CWLP must come into compliance by November 2018. EPA Region V has advised both permitting authorities – our POTW and Illinois EPA -- that this November 1, 2018 deadline must be incorporated into both the Pretreatment and NPDES permits. CWLP’s consultants have indicated it will be next to impossible for CWLP to meet the November 2018 PSES deadline due to limited available technologies. Engineering consultants have also found that many of the currently available technologies

can only be installed after initial pilot testing for treatment of our high-chloride scrubber wastewater to confirm that the PSES for selenium will be met, contrary to the conclusions of EPA in the final ELG rule. This need for expensive pilot testing will increase CWLP's costs of compliance beyond those anticipated by the ELG rule justification documents.

We have thus far spent over \$450,000 for engineering consultants to study alternatives and costs for compliance with the ELG and CCR rules. Over the next 6 months, that cost will likely rise to over \$700,000. Very soon, Springfield will be expected to make binding commits to engage an engineering design consultant at an estimated cost of \$3 million. Preliminary engineering work indicates the costs of treatment for CWLP to modify its current facility could be from \$41 million to \$55 million, on top of what has already been spent for its pretreatment facility in 2009 (\$15 million). This does not include an additional \$2 million to \$3.7 million in estimated annual operating and maintenance costs to meet the stringent new pretreatment standard for selenium.

In addition to the \$41 million to \$55 million cost of compliance with the PSES portion of the ELG regulations, CWLP is expected to face costs in the range of \$45 million to \$60 million to achieve compliance with the CCR rule and remaining portions of the ELG rule for dry ash conversion. If all of these costs are required and none of these requirements are alleviated, CWLP would have to consider the viability of continuing to operate the two older of our four coal burning units. Significant rate increases will also be needed to meet the up-front and ongoing costs of implementing these systems. The impact on grid reliability of the premature retirement of base load generating units that burn on-site solid fuel for electric generation must be taken into account in evaluating the costs of the ELG rule.

Beyond a deadline that can't be met and tens of millions in new costs, in CWLP's case, meeting the ELG's pretreatment standard for selenium has zero environmental benefit. The discharge from the local sanitary district already meets all applicable discharge limits and contains a lower influent concentration of selenium than the effluent limit the new rules require. EPA provided a mechanism that its representatives advised would provide CWLP necessary relief from the PSES; however, the removal credit process is not available to a sanitary district that receives so little selenium that it is not detectable in its discharge. When wastewater leaves our facility it contains selenium levels of approximately 0.4 mg/l. On the other hand, the influent levels of selenium at our POTW are extremely low (and often below the detection limit) and the POTW discharges selenium generally at a level below the detection limit and consistently in compliance with their NPDES permit and the state water quality standards at the end of pipe without reliance on a mixing zone. As this wastestream has been sent to our POTW since 2009 and our POTW has maintained compliance with its NPDES limits, there is no reason to conclude that PSES limits were necessary to prevent interference or pass-through of pollutants at the POTW. Never-the-less, EPA has indicated that removal credits are not available to our facility, contrary to the purpose of the pretreatment provisions of the Clean Water Act.

The ELG rule is currently on appeal in *Southwestern Electric Power Company, et al. v. USEPA and Gina McCarthy*, No. 15-60821, US Court of Appeals, 5th Circuit. In the briefs in this case and in the Petition for Reconsideration filed with EPA on March 24, 2017, UWAG has argued that EPA did not properly analyze the costs of the standards set by the ELG rule and has failed to be transparent as to how the figures in the rule were derived. They have identified Executive Order 13777, Enforcing the Regulatory Reform Agenda (Feb. 24, 2017) and violations of the letter and spirit of the Data Quality Act and its implementing regulations as a basis for reconsideration of the ELG rule. Under Executive Order 13777, UWAG has indicated the ELG rule should be revisited based on its 1) effect on jobs, 2) costs that exceed benefits, and 3) lack of transparency of the underlying information.

The Advocacy Office of the SBA has supported the argument of UWAG that Executive Order 13777 requires a reevaluation of the ELG rule. SBA has also based its request to reopen the rulemaking for reconsideration on Executive Order 13771 on "Reducing Regulation and Controlling Regulatory Costs," which requires the revision of costly regulations that are not justified by their benefits. SBA has pointed out that EPA failed to adopt alternatives in the proposed rule, which would have mitigated impacts on small business and refused to convene a Small Business Regulatory Enforcement Fairness Act panel under the Regulatory Flexibility Act.

As explained in SBA's petition, the proposed ELG rule contained an option exempting smaller plants like CWLP's from FGD requirements. The City of Springfield provided comments in 2013 in support of this alternative in the proposal, but instead has been subjected to the same limitations as much larger facilities that directly discharge their FGD wastewater. The City of Springfield also commented to EPA during the public comment period in support of limiting applicability of the ELG to certain wastestreams at facilities over 250MW and to limiting the PSES for FGD wastewater to plants with a total wet-scrubbed capacity of less than 2,000 MW. Confident in the quality of its environmental controls and uniqueness of its site-specific conditions, the City of Springfield provided comments advocating for an alternative under the ELG rule that would have allowed POTWs and State regulators to establish limitations for indirect dischargers using best professional judgment.

Finally, SBA has argued with regard to the pretreatment standards for indirect dischargers that these facilities "face the same stringent standards required for direct dischargers, despite the fact that these discharges go through publicly-owned treatment plants before discharging into the waters of the United States. Given the extremely limited pollutant loadings and relative high costs, according to EPA's own analysis, these requirements appear ripe for substantial reduction or elimination." SBA (4/5/2017) p. 11. SBA has called on EPA to postpone the effective date of these requirements.

Revisiting the ELG rule also appears to be supported and possibly even required under, the "Promoting Energy Independence and Economic Growth" Executive Order issued on March 28, 2017. The Executive Order requires agencies to review all existing regulations that have the potential to burden the development or use of domestic energy, including coal. CWLP is one of the few electric utilities committed to the use of Illinois coal and imposing overly stringent environmental regulations on similar facilities will discourage the use of domestic coal resources and may result in their premature retirement.

The City of Springfield, Illinois supports these efforts of UWAG and SBA to reopen the ELG rule for reconsideration and requests that EPA administration seek a remand of the rule and immediate stay of its deadlines from the Court of Appeals. In any reevaluation of the ELG rule, EPA should consider eliminating the pretreatment standard of the ELG rule and exempting smaller facilities from certain requirements. It is imperative to Springfield that EPA take action to immediately stay or extend the current deadline of November 2018 for indirect dischargers before substantial capital investments (\$41 million to \$50 million for example in CWLP's case) must be spent to achieve compliance.