

The draft below contains language that allows the companies to shut down a unit instead of controlling it to comply with the December 31, 2017 requirement. Commissioner Wakild suggested this option at the last AQC meeting. After discussing this option, the AQC instructed the staff to bring a draft rule that would allow units to shut down in lieu of installing mercury controls to meet the 2017 requirement to the March meeting for further discussion. (In addition to this rule change, the list of specific request for comments is revised to request comments on additional approaches to reducing mercury emissions. See item 8 on page 20 of agenda item 10.)

**15A NCAC 02D .2511 MERCURY EMISSION LIMITS**

(a) Duke Energy. With the exception allowed under Paragraph (b) of this Rule, the owner or operator of the facilities listed in this Paragraph shall shut down or install and operate mercury control technology in compliance with mercury control requirements determined by the Commission under Rule .2509 of this Section on eight of the units listed in this Paragraph by December 31, 2017. Duke Energy shall not operate any unit listed in this Paragraph after December 31, 2022 unless mercury control technology has been installed on each unit and is operating as permitted. The owner or operator shall determine the eight units on which to install and operate mercury control technology by December 31, 2017.

- (1) Duke Energy, Buck units 5, 6, 7, 8, and 9;
- (2) Duke Energy, Cliffside units 1, 2, 3, and 4;
- (3) Duke Energy, Dan River units 1, 2, and 3;
- (4) Duke Energy, Riverbend units 7, 8, 9, and 10.

(b) Duke Energy alternative. Duke Energy may propose mercury reductions from one or more of the Belews Creek; GG Allen and Marshall units in lieu of the installation of mercury control technology on a unit regulated under paragraph (a) of this Rule (a "regulated unit"). The Director shall approve the alternative mercury reductions upon finding that they will result in at least 110 percent of the reductions in mercury emissions that would be achieved through control of the regulated unit in compliance with the mercury control requirements adopted by the Commission.

(c) Progress Energy. With the exception allowed under Paragraph (d) of this Rule, the owner or operator of the facilities listed in this Paragraph shall shut down or install and operate mercury control technology in compliance with mercury control requirements determined by the Commission under Rule .2509 of this Section on four of the units listed in this Paragraph by December 31, 2017. Progress Energy shall not operate any unit listed in this Paragraph after December 31, 2022 unless mercury control technology has been installed on each unit and is operating as permitted. The owner or operator shall determine the four units on which to install and operate mercury control technology by December 31, 2017.

- (1) Progress Energy, L. V. Sutton units 1 and 2;
- (2) Progress Energy, Lee units 1, 2, and 3;
- (3) Progress Energy, W. H. Weatherspoon units 1, 2, and 3.

(d) Progress Energy alternative. Progress Energy may propose mercury reductions from one or more of the Asheville, Cape Fear, Mayo, and Roxboro units in lieu of the installation of mercury control technology on a unit regulated under paragraph (c) of this Rule (a "regulated unit"). The Director shall approve the alternative mercury reductions upon finding that it will result in at least 110 percent of the reductions in mercury emissions that would be achieved through control of the regulated unit in compliance with the mercury control requirements adopted by the Commission.

(e) Source testing. Duke Energy and Progress Energy shall each test several of its boilers in North Carolina, but no less than four boilers in North Carolina each, for mercury emissions that represent boiler types and control device configurations in North Carolina. The tests shall be conducted before installation of sulfur dioxide control devices and after the installation of sulfur dioxide control devices. All testing shall occur between effective date of this Rule and January 1, 2009. Either continuous emission monitors that comply with Rule .2505 of this Section or Method 101 or 102 of 40 CFR Part 61 Appendix B shall be used to measure mercury emissions. Each company shall submit a testing plan within nine months from the effective date of this Rule to the Director for his approval. The plan shall include:

- (1) the identity of the boilers to be tested and an explanation of why they were selected.
- (2) a schedule for testing the boilers, and
- (3) a testing protocol including testing procedures.

(f) Approval of testing. The Director shall approve the testing plan submitted under Paragraph (e) of this Rule if he finds that:

- (1) the elements required under Paragraph (e) of this Rule have been submitted,
- (2) the boilers selected represent the boiler types and control device configurations that the company has in North Carolina, and
- (3) the testing protocol and procedures are appropriate for the testing to be done.

(g) New sources.

**Option 1:**

Any coal-fired electric steam generating unit to which this Section applies and which begins operation after January 30, 2004 shall reduce its emissions of total mercury to no more than 0.021 pounds per gigawatt hour on an output basis.

**Option 2:**

Any coal-fired electric steam generating unit to which this Section applies and which begins construction after the effective date of this Rule shall:

- (1) reduce its emissions of total mercury by 90 percent by weight across the control device as calculated under Paragraph (b) of this Rule or to no more than 0.0060 pounds per gigawatt hour averaged over a 12 month rolling average, and
- (2) have enough allowances in its compliance account established under Rule .2510 of this Section to offset its actual emissions of mercury.

**Option 3:**

Any coal-fired electric steam generating unit to which this Rule applies and which begins construction after the effective date of this Rule shall install and operate best available control technology for mercury. For purposes of this Rule, "best available control technology" means an emissions limitation based on the maximum degree of reduction of mercury from coal-fired electric steam generating units that is achievable for such units taking into account energy, environmental, and economic impacts and other costs. The Director shall identify best available control technology on a case by case basis. In no event shall application of best available control technology result in emissions of any pollutant which would exceed the emissions allowed by any applicable standard under 40 CFR parts 60, 61, or 63.

History Note: Authority G.S. 143-215.3(a); 143-215.107(a)(5);:

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