

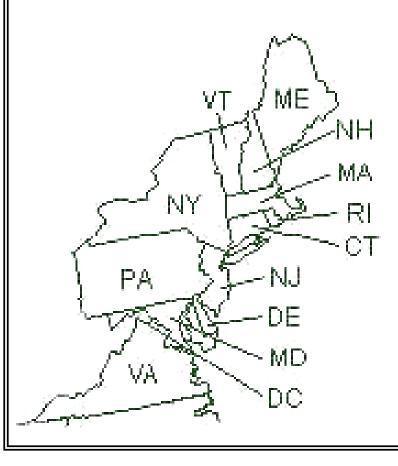
High Electric Demand Day (HEDD) Strategy

Tonalee Key NJ DEP April 12, 2007

Context

- Work undertaken by air quality planning programs in some states in the OTC
- State Implementation Planning (SIP) process for meeting the National Ambient Air Quality Standards
- States currently working on 3 major SIPs:
 - 8-Hour Ozone
 - PM_{2.5}
 - Regional Haze





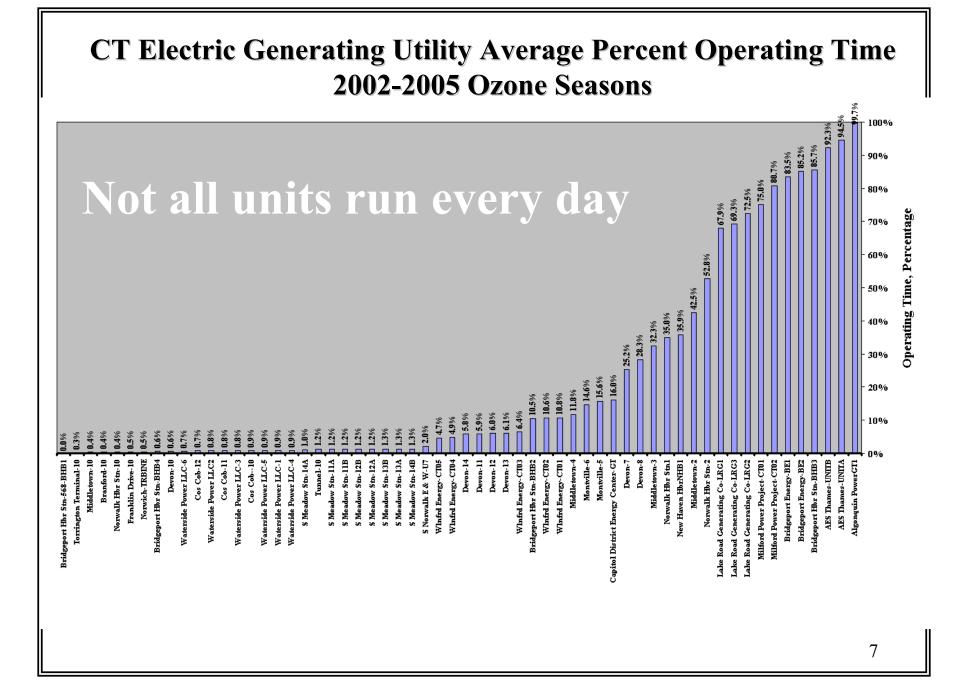
- Multi-state organization created under the Clean Air Act
- Develops and implements regional solutions to the ground-level ozone problem in the Northeast and Mid-Atlantic regions

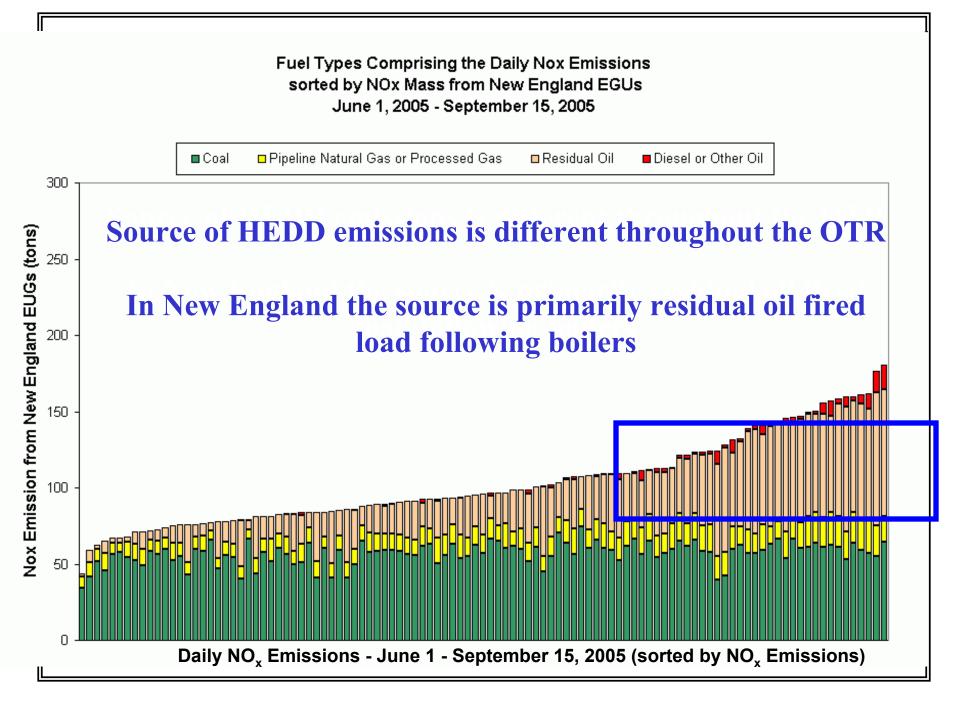
What We Learned

- Emissions from Electric Generating Units (EGUs) are higher on high electric demand days
- This results in **poorer air quality** on some of the **highest ozone exceedance days**

What EGUs Contribute the Most Emissions on HEDDs?

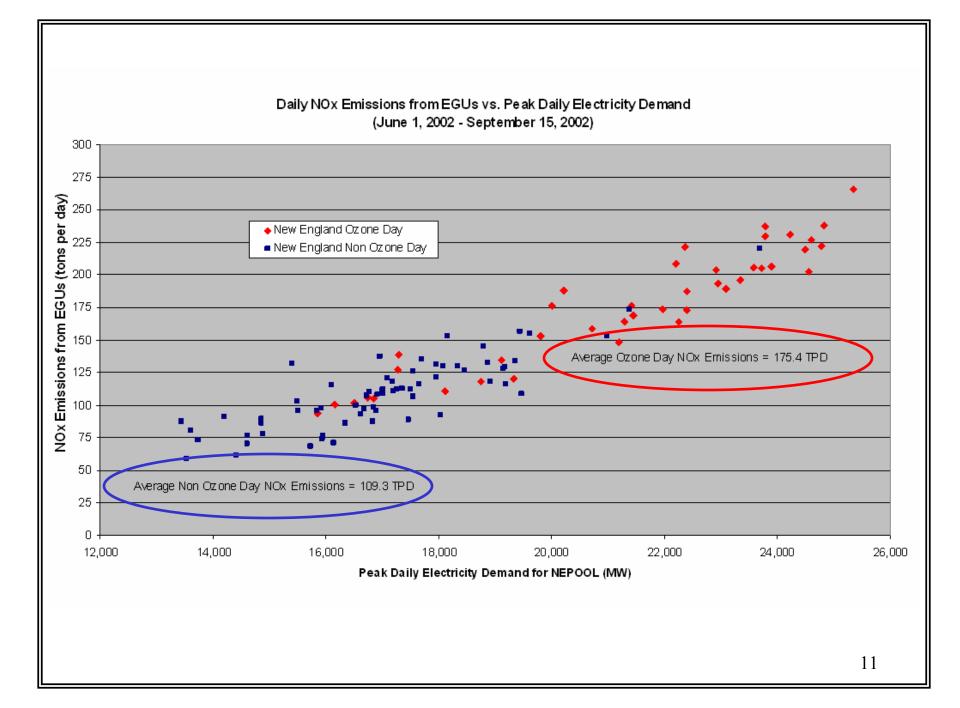
The Mix of Generating Units Varies by Day and Region

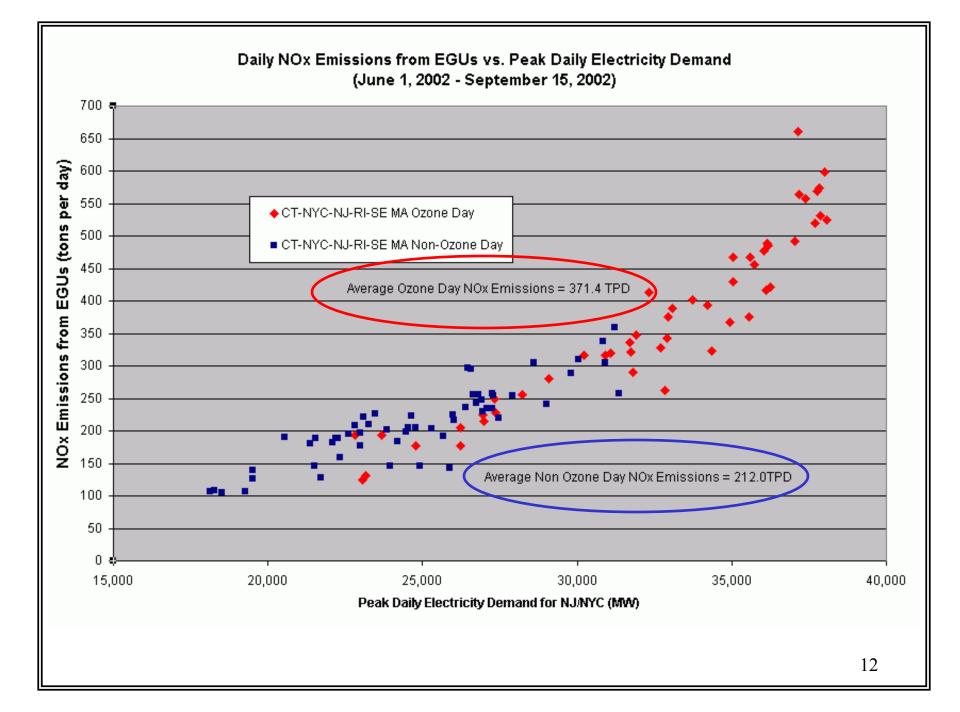




Fuel Types Comprising the Daily Nox Emissions sorted by Nox Mass from NY City and NJ EGUs June 1, 2005 - September 15, 2005 Diesel Oil or Other Oil Coal Residual Oil □ Pipeline Natural Gas or Processed Gas 700 In New York City and New Jersey the source is primarily Nox Emission from NJ/NY City EUGs (tons) 600 gas and diesel fired combustion turbines 500 400 300 200 100 Daily NO, Emissions - June 1 - September 15, 2005 (sorted by NO, Emissions)

How Does this Affect Air Quality?





Baseload EGUs Getting Cleaner But Emissions on HEDD Remain High

NO _x Emissions (TPD)							
Typical Summer					High Electric		
Day					Demand Day		
8/7/2002	6/4/2005		Δ		8/12/2002	7/26/2005	
992			623		1615		
	551		798			1349	

Baseload units are getting cleaner Delta getting larger--HEDD units have a more profound effect

What We Are Doing About It?

- Almost year long stakeholder process
- Accomplishments:
 - Definition of HEDD unit
 - Established a short term (2009) emission reduction goal
 - States committed to make reductions (MOU)
- Still to address:
 - HEDD trigger
 - Long term reductions

State Reduction Responsibility

State	NOx (tons per day)	Percent Reduction from HEDD Units
СТ	11.7	25%
DE	7.3	20%
MD	23.5	32%
NJ	19.8	28%
NY	50.8	27%
PA	21.8	32%
Total	134.9	

Meeting the Short Term HEDD Reduction Responsibility

States can meet responsibility by a variety of actions:

- Implementing/increasing commitment to energy efficiency demand response, and/or renewable programs
- Implementing rules to reduce emissions from distributed generation sources
- States assign part or all of tonnage reduction responsibility to generators
 - Generators devise a plan to achieve reductions.

Generator Reduction Plans

Can include:

- Control HEDD units
- Control other EGUs (targeted)
- Implement energy efficiency demand response, and/or renewable programs (targeted)
- Implement innovative peak day reduction strategies
- Target load pockets served by the peaking units
- Work with ISO on targeting their commercial DR* programs
- Work with ISO on structure of capacity market for incentives to install clean generation

* DR programs to be load reduction programs or clean load shift programs; cannot shift to use of 'dirty' DG

Energy Efficiency & Renewable Energy

Most efficient avenue - if you do not need the energy in the first place it eliminates a multitude of issues

- States and/or generators can sponsor EE/RE programs
- Discussions with EPA have presented avenues to incorporate EE/RE efforts into the SIP
- EPA working with states to develop a simplified method to quantify benefits

EPA TRUM Analysis of 2010 NOx Reductions Resulting from EE Programs on HEDD in OTC

Assuming 1.5% Cumulative Load Reductions in All States

State	Load Reduction MWh per day	NOx Reduction Tons per day	
Connecticut	1,497	1.20	
Delaware	1,438	1.25	
Maryland	2,181	4.32	
New Jersey	6,394	6.44	
New York	6,180	5.85	
Pennsylvania	6,720	5.35	

More detailed analysis can be performed on a state by state basis that utilizes more refined local information.

* Dispatch Analysis of August 2, 2006 NOx Reductions with load constraints factored in for Southwest Connecticut. (Analysis by RSG Inc.)

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New Jersey Clean Energy Program Energy Efficiency & Renewable Energy Results

	Electric Energy	Natural Gas	Solar	Class I
	Electric Energy	Energy	Renewable	Renewable
	Efficiency	Efficiency	Energy	Energy
	MWh	Dtherm	MW	MW
2003	285,576	408,583	1.7	76
2004	328,912	432,758	2.1	3.7
2005	382,845	617,261	5.5	14.9

For More Information on the HEDD Strategy

http://www.otcair.org/document.asp?fview=meeting