

Proposed Ecology/TransAlta Mediation Agreement

Ecology and TransAlta have reached a proposed agreement to reduce mercury and nitrogen oxide emissions from TransAlta's Centralia area coal-fired power plant. The agreement provides regulatory certainty for nitrogen oxide emissions and establishes a voluntary mercury reduction program at TransAlta.

Why is Ecology proposing a voluntary agreement instead of a regulation or an order?

Right now, neither Washington nor the federal government has regulations that require coal-fired power plants to reduce their mercury emissions. Because there is no regulation, a voluntary agreement is the only way to get mercury reductions from power plants.

Ecology worked on a mercury regulation for nearly two years. Ecology based its regulation on the federal regulation. When a court threw out the federal regulation in February 2008, Ecology was forced to withdraw its state regulation as well.

TransAlta requested mediation to discuss a variety of environmental issues, including nitrogen oxide (NO_x) emissions. When the mercury regulation was withdrawn, mercury emissions were added to those discussions.

The proposed agreement

- **Mercury:** TransAlta will voluntarily buy and use controls that will remove up to 50 percent of its mercury emissions by 2012. TransAlta has also voluntarily installed technology for measuring mercury, and will begin self-reporting mercury emissions in 2009.
- **NO_x:** Ecology and TransAlta agree that TransAlta's existing emission controls make up "Best Available Retrofit Technology" (BART) for the Centralia plant. Ecology will issue a regulatory order requiring BART at the plant. See the heading "Best Available Retrofit Technology" on page 2 for more information.

WHY IT MATTERS

TransAlta's Centralia area coal-fired power plant provides enough power for one out of every 12 homes and businesses in Washington State.

This agreement gives citizens certainty that immediate action is being taken to reduce environmental and public health effects from the power plant. The alternative is to wait for possible federal actions that would not take effect, if at all, until many years in the future.

Contact information:

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See more information at

<http://www.ecy.wa.gov/programs/air/TransAlta/TransAltaAgreement.html>

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Best Available Retrofit Technology

Best Available Retrofit Technology (BART) is set for emission units that were in use before current emission control limits became effective, and therefore never met the current limits. BART means the existing equipment is updated with technology that will reduce its emissions as much as possible. Federal regional haze rules require Ecology to determine what the BART requirements should be for TransAlta.

Ecology has determined that BART for the Centralia plant is a combination of its current controls and the exclusive use of low sulfur coal. This results in a 20% reduction in NO_x emissions over past permitted levels.

Next steps

Comment period for the proposed agreement and BART determination

Ecology will accept comments on the proposed mediation agreement and BART determination from September 8 through November 9, 2009. Send comments to:

AQcomments@ecy.wa.gov

OR

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Final agreement

When the public comment period ends, Ecology will review and consider all comments received. Ecology expects to finalize some form of the agreement in Fall 2009.

BART determination and Regional Haze State Implementation Plan

Ecology will submit its TransAlta BART determination to EPA for approval as part of the Regional Haze State Implementation Plan. A State Implementation Plan (SIP) is a plan for meeting air quality standards in a specific area. The public process for the SIP submittal will begin in early 2010.