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1 HEARING OFFICER SELTZER: This is a hearing
2 in the matter of the proposed issuance of the State
3 Construction Permit for Power Energy Partners, LLC,
4 in Crete, Illinois.

5 My name is Bill Seltzer. I'm an
6 attorney for the Agency, the EPA. They asked me to
7 be the hearing officer for this evening. The way
8 we will proceed tonight is everybody that is here
9 should have signed a registration card, and the
10 card will indicate whether or not you want to ask
11 questions or make a comment.

12 We will start off, I will have the
13 members of the EPA that are here tonight introduce
14 themselves. And then we will have members of the
15 applicant that are present introduce themselves.
16 The EPA will make a short statement. I understand
17 the applicant wants to make a presentation, and
18 then we will go to the audience.

19 We also have comment forms out there
20 that can be filled out and sent in to me if anybody
21 wishes to simply make a written comment. And
22 before the evening is over, we will establish a
23 final date for receiving comments.

24 Are there any questions up to this

1 point in time?

2 (No response.)

3 HEARING OFFICER SELTZER: I will ask that
4 members of the EPA introduce themselves.

5 MR. PATEL: My name is Manish Patel. I'm a
6 permit analyst in the Bureau of Air Permit Section.

7 MR. ROMAINE: My name is Chris Romaine.
8 I'm manager of the utility unit in the Air Permit
9 Section. Also with us at the registration table is
10 Brad Frost, the Community Relations Coordinator for
11 the Bureau of Air.

12 HEARING OFFICER SELTZER: Could the members
13 that are here that are associated with the
14 applicant please identify themselves.

15 MR. R. TRZUPEK: My name is Rich Trzupsek.
16 I'm an air quality manager with Huff & Huff, lead
17 environmental consultant for the applicant.

18 MR. G. TRZUPEK: Gerry Trzupsek. I'm a
19 senior scientist with Huff & Huff.

20 MR. NOVAK: Jim Novak with Huff & Huff,
21 senior environmental scientist.

22 HEARING OFFICER SELTZER: Thank you.
23 Anybody else here for the applicant this evening?

24 MR. MARIGNY: I'm Jolecia Marigny with

1 Energy Power Group in Houston, Texas.

2 HEARING OFFICER SELTZER: Anybody else?

3 MR. DAVIS: Christopher Davis. I'm vice
4 president in project development for DTE Energy
5 Services.

6 HEARING OFFICER SELTZER: Thank you. Is
7 that it?

8 MS. MURFF-WASS: Carlyne Murff-Wass. I'm
9 with Entergy. I'm the manager.

10 MS. PANCZAK: I'm Katie Panczak, Manager of
11 Environmental Affairs with DTE Energy Services.

12 HEARING OFFICER SELTZER: Thank you. Is
13 there anyone else?

14 MR. FEEHELEY: Winston Feeheley, manager,
15 Entergy, governmental affairs.

16 HEARING OFFICER SELTZER: Is that it?

17 (No response.)

18 HEARING OFFICER SELTZER: The Agency will
19 make a short presentation, and then we will go to
20 the applicant.

21 MR. ROMAINE: I would just like to thank
22 people for coming tonight. As you are aware, we
23 are here tonight to discuss a draft permit for a
24 proposed project. When we prepare a draft permit,

1 that means that we have completed our review. We
2 believe it meets the standards for issuance of a
3 permit, but that does not mean that a permit has
4 been issued. Our Director has decided that all
5 applications for peaker plants will be subject to
6 public comment periods, and this hearing is part of
7 that public comment period. So we look forward to
8 hearing your comments tonight.

9 The comments that are most relevant to
10 our process are comments that focus on air
11 pollution issues. That's the subject of the
12 permit. That's where our authority lies. That's
13 what we are trying to focus on tonight. I'm sure
14 there are other issues here that you might want to
15 address. Whether those get addressed is really up
16 to the applicant and the Hearing Officer's
17 generosity, but certainly there are issues with
18 regard to local siting and approvals that are not
19 within our scope. Our scope is very narrow. So,
20 again, comments that will influence here are ones
21 that focus on air pollution.

22 The final point is that we will try
23 our best to answer your questions tonight.
24 However, if we don't, we will take it back to our

1 experts in Springfield. One of the important
2 things about signing a registration card is that we
3 will prepare a written responsiveness summary that
4 lists the significant questions that we have heard
5 tonight and provide a written response. A copy of
6 that responsiveness summary will be sent to
7 everybody who fills out a registration card.

8 With that, I would like to turn over
9 the presentation over to Manish.

10 MR. PATEL: Good evening, ladies and
11 gentlemen. I am Manish Patel. I am a permit
12 engineer in the Bureau of Air. I would like to
13 give you a brief description of the project.

14 Power Energy Partners has requested a
15 construction permit for an electric generation
16 facility, Crete Energy Park, in Crete. The project
17 would be accessed from Burville Road, which is
18 southeast of the village center of Crete.

19 The proposed facility is designed to
20 function as a peaking power station. Peaker plants
21 generate electricity in peak demand periods and at
22 other times when other power plants are not
23 available due to scheduled or unexpected outages.
24 In Illinois, peak power demand occurs during

1 daylight hours on hot summer weekdays due to the
2 power demand for air conditioning.

3 The facility would use gas turbines to
4 generate up to 356 megawatts of electricity.
5 Electrical generators on the shaft of the turbines
6 would directly produce power. One of the
7 advantages of a turbine, unlike a steam power
8 plant, is that it can be quickly turned on or off
9 in response to changing demand for power.

10 The facility will only burn natural
11 gas, which is the cleanest commercially available
12 fuel. Natural gas does not contain a significant
13 amount of sulfur or ash as present in coal and oil.
14 The pollutant of interest for burning natural gas
15 is nitrogen oxides or NO_x. NO_x is formed when
16 nitrogen and oxygen in the atmosphere combine
17 during the high temperature of combustion.

18 Power Energy will install four General
19 Electric turbines. NO_x emissions from the turbines
20 would be well-controlled. The maximum NO_x
21 emissions of the turbines are limited by use of
22 low-NO_x burners to no more than 9 parts per million
23 when operated at normal rated capacity and 21 parts
24 per million when operated in peak mode.

1 The project is not considered a major
2 source because the permitted emissions of the
3 pollutants from this facility would be less than
4 the major source threshold. For projects that are
5 not major, an air quality study is not required by
6 applicable rules. However, Power Energy has
7 performed an air quality study to determine the air
8 quality impacts from the project for pollutants
9 other than ozone. The study indicates that air
10 quality would comply with ambient standards. With
11 respect to ozone, the facility should not have any
12 effect on local air quality as ozone forms
13 gradually as precursor compounds react. This
14 facility would be addressed as part of Illinois'
15 program to roll back NOx emissions from electric
16 utilities as needed to comply with the ozone
17 standard in the Chicago area and in areas downwind.

18 In summary, the Illinois EPA has
19 reviewed the materials submitted by the Power
20 Energy and has determined that the application for
21 the project shows it will comply with applicable
22 state and federal standards. We have prepared a
23 draft of the construction permit that sets out the
24 conditions that we propose to place on the facility

1 to assure continuing compliance.

2 In closing, we welcome any comments or
3 questions on our proposed action.

4 Before I hand over for presentation to
5 the company, I would like to make an announcement
6 about the application being considered as filed on
7 October 10, 2000, in place of submitted, as
8 mentioned in the draft, as December 17, 1999,
9 because of significant changes in the application
10 form that was previously submitted. Thank you.

11 HEARING OFFICER SELTZER: Thank you.

12 Does the applicant wish to make a
13 presentation?

14 MR. R. TRZUPEK: Yes. Thank you.

15 I'm Rich Trzuppek, air quality manager
16 with Huff & Huff. We have been the lead consultant
17 on environmental matters for the Partners, Entergy
18 and DTE Energy Services. We'll take you through a
19 little more of the project and give you a little
20 bit of visuals and, hopefully, give you a better
21 idea about what we are going to be building.

22 MR. R. TRZUPEK: Let's start with the first
23 slide.

24 (Overhead presentation:)

1 MR. R. TRZUPEK: As Manish said, what we
2 are building is a 356-megawatt simple cycle plant.
3 And it's referred to, of course, in the permit as a
4 peaking facility. But, as we will talk about,
5 peaking is really a marketing term. And one of the
6 things that's happened in Illinois, as more power
7 plants have been built, is that we tend to refer to
8 everything as a peaker; and that encompasses a wide
9 range of technology on a big spectrum. I think
10 it's important that we distinguish where in the
11 spectrum a particular project lies especially in
12 terms of its environmental effects.

13 This is four 89-megawatt gas turbines.
14 Dry-low NOx is the technology being used here to
15 control pollutant. And there are different ones
16 available. Basically for a simple cycle facility
17 dry-low NOx means it's the best technology going.
18 And the manufacturer that we are using, General
19 Electric, has the best dry-low NOx system going.
20 So you are seeing the most-advanced technology
21 being put in this facility available in the market
22 right now.

23 There is really no impact on local
24 residential from a facility like this. Emissions

1 from a gas turbine disperse through the atmosphere.
2 And you need to distinguish between local effect
3 and the large environmental effect. So the
4 question that often comes up in these is what are
5 we in a community going to see in terms of air
6 emissions, and the answer is really nothing.
7 Against the background, it's nothing you are ever
8 going to see.

9 The effect on the big environment,
10 which is important, is something that is going to
11 be very positive because we are changing the way we
12 are making power. We are using the cleanest fossil
13 fuel available. On local economy, there is going
14 to be added infrastructure to the industrial park,
15 which will enable that park to expand, increase
16 revenue for the Village, and of course construction
17 jobs for the year it takes to construct the
18 project.

19 Why do you have this plant and other
20 plants like it coming into Illinois? And the focus
21 really is the peak period of demand during the day.
22 And you understand that if you look at a curve of
23 demand versus time on a hot summer day, it shoots
24 up at about 7 o'clock in the morning and then

1 shoots down quickly at about 8, 9 o'clock at night.
2 That ability to meet peak demand versus the
3 supplies available in the last ten years got
4 narrower and narrower. And you see the extreme of
5 that situation in California right now. You need
6 to have a nice cushion between supply and demand.

7 Meeting the period of peak demand most
8 efficiently means you should have something that
9 can come on quickly when peak demands hits and come
10 off quickly when peak demand hits. What we have
11 seen in the past, the way utilities have addressed
12 this issue is to keep fossil burning plants on hot
13 standby for a long period of time running, emitting
14 for really for no good reason just so they could
15 hit that peak demand period. The nice thing about
16 a gas turbine is it can hit the peak demand when
17 it's there and go off when it's not.

18 Crete is a good place to put it
19 because of the two factors that can come in. They
20 have a lot of electric transmission capacity, high-
21 voltage lines nearby, and a major pipeline nearby.
22 Fuel and a place to put the power. And of course,
23 you have deregulation, which allowed the Illinois
24 power market to restructure.

1 We have four turbines. They are
2 natural gas fired. There is no fuel oil backup.
3 So the emissions from the cleanest fuel available
4 is the only emissions you are going to see. There
5 are no cooling towers. There is no steam
6 generation. So the groundwater impact from this
7 project is minimal. And the sound abatement
8 package is the most advanced sound abatement
9 package available.

10 This project did not go through what
11 is a formal environmental process called a BACT
12 analysis, which is "are you using best available
13 control technology." However, these turbines meet
14 the definition of best available control technology
15 for simple cycle turbines. 9 ppm is what has been
16 determined by the state to be BACT. And though we
17 didn't ask for that formal determination, we didn't
18 need to meet it, it's something we nevertheless
19 meet.

20 And the project follows all the
21 recommendations that the Illinois Pollution Control
22 Board made this December. They made a number of
23 recommendations about the way these projects should
24 be permitted. And as we will see, this project

1 meets those recommendations.

2 Where it's going to be located, Manish
3 described it off of Burville Road southeast of the
4 town center on about a 30-acre parcel.

5 What a turbine looks like. This is a
6 turbine. You have an air inlet here that sends the
7 filtering system. You have the actual combustion
8 turbine in this area. Power is generated. Power
9 generation system in this area, which takes it out
10 to the grid. And then the stack and all of this
11 section through the power, the turbine itself, and
12 all through the stack is a sound abatement package.

13 One misnomer that people use with a
14 gas turbine is to call it a jet engine. And that's
15 sort of like calling your lawn mower engine the
16 same as your automobile engine. Yes, they are both
17 internal combustion engines; but the technology
18 within them is quite different. You can't make
19 that fly. Because it's a stationary frame turbine,
20 it means you can do a lot more sound abatementwise
21 than you could with any jet engine.

22 We did some plan views for you to see
23 what the visual impact would be like. This is one
24 that we worked up looking south from Burville, and

1 that's the units through there.

2 Next one. Looking east from Main
3 Street, that's the units over there by the high
4 power lines.

5 And then looking north from State, and
6 we got the units there.

7 What we have done so far -- And not
8 everybody is familiar with the extensive permit
9 process that you have to go through in Illinois.
10 It doesn't encompass just air quality. Storm water
11 construction permits have been done, threatened
12 endangered species reviewed. There are no
13 threatened endangered species in that area. That's
14 been approved. Historical review, no historical
15 sites in that area. That's been approved. The air
16 quality permit obviously has gone to notice. We
17 have got our meeting, and the permit should be
18 final next month. Construction is expected to
19 start this spring, and the project completed by
20 next spring.

21 Environmental quality effects. I
22 think it's important to realize that when people
23 look at an isolated project they consider it in an
24 additive sense, that we are adding emissions to the

1 atmosphere. But the real question is what's
2 happening in the entire power structure. Power is
3 the biggest industrial source of emissions. And
4 switching to better, cleaner sources of power means
5 that in the whole the environment gets cleaner; and
6 that's been a continuing process. We have seen
7 coal get cleaner and cleaner. We have seen oil get
8 cleaner and cleaner. And we have seen gas emerge
9 in the recent years as the cleanest fuel available.

10 So this project allows us to continue
11 growth, to continue to meet increasing demand, and
12 to meet the important goal of reducing NOx
13 emissions, the single pollutant that's most related
14 to smog creation.

15 As Manish described, other pollutant
16 emissions are considered negligible for natural
17 gas, which makes sense if you think about burning
18 natural gas in your home. You don't worry about
19 particulate emissions. You don't think about
20 volatile organic emissions.

21 There is no toxic heavy metals
22 associated with that emission stream.

23 The water and solid waste impact is no
24 more than any other light- to mid-size industrial

1 project.

2 We talked about the importance of that
3 quick startup and shutdown to do the job that it's
4 meant to do in peak demand.

5 The sound control package, for those
6 of you, which is probably most of you, who haven't
7 been in a gas turbine facility, it's something
8 phenomenal. I think the prototypical story we have
9 with this particular turbine package is people
10 going to a site using exactly the same turbines and
11 talking to neighbors. Has this site been a
12 problem? Have you had noise complaints? And the
13 neighbors saying, no, it never runs. And of
14 course, the trick is it was running all the time.
15 You couldn't hear it. And that's a tribute to the
16 type of sound abatement that you can get with a
17 stationary frame turbine.

18 The NOx emissions as they replace coal
19 for doing this peaking job are at least 85 percent,
20 usually much more than the best available coal
21 equivalent. We have done the modeling. Air
22 qualitywise, there is no significant impact on air
23 quality. And that modeling demonstration is a very
24 intense exercise. It takes a long time going

1 through more permutations than you can count. You
2 look at the worst case emissions. And for these
3 facilities worst case emissions means you look at
4 the coldest weather possible, because that's how
5 you get the most air through a turbine and,
6 therefore, the most emissions.

7 Now, in fact, you run them most of the
8 time, the great majority of the time, in the
9 hottest weather possible. So these worst case
10 emissions mean nothing, but that's what you model
11 to. You look at the worst case weather. You look
12 at other large local sources have to be added into
13 the equation, and you look at a number of different
14 ways of operating including startup, shutdowns,
15 different loads. And you look at all that and you
16 have to prove that in any of these combinations and
17 permutations that you are not going to violate what
18 Illinois considers, what USEPA considers, to be
19 clean air quality. These are also being built in
20 the context of new NOx regulations going in in 2004
21 in Illinois, which effectively requires to reduce
22 NOx by over 100,000 tons a year. A big number.
23 Most of that is going to come through new controls
24 on coal plants. And a lot of that is going to come

1 from the fact that during the summer months this
2 peak demand is going to be met by gas, not by coal
3 on hot standby.

4 Ensuring compliance. What happens
5 when the permit is granted? What assurance does
6 the community and the state have that a facility
7 like this is going to continue to run in compliance
8 and meet these type standards as assumed? There is
9 a whole bunch of ways. EPA certainly doesn't go
10 away once the project is completed. Emissions
11 testing is required immediately upon issuance of
12 the permit and every five years thereafter. That
13 emission testing establishes how the turbine has to
14 run in order to meet the air quality standards set
15 for it. And then all of those parameters, those
16 operational parameters that equate to that level,
17 have to be monitored all the time by the source.

18 There are a number of records and
19 reports that have to be filed in order to prove
20 that it's meeting those emissions levels. The size
21 of the permit, there is an acid rain program and
22 the NOx program we talked about they have to
23 participate in with more requirements. There are
24 EPA inspections on at least an annual basis. And

1 finally, there is another permit that's required
2 once the facility gets running, Title V Operating
3 Permit, which has further requirements. So they
4 are among the most watched sources of any type in
5 the state.

6 We mentioned the Illinois Pollution
7 Control Board recommendations. I have summarized
8 the main conclusions here. There are more there.
9 You can certainly read through and ask us
10 questions. But here is the main, the main
11 conclusions that they made. They said that all the
12 units should meet a BACT requirement whether or not
13 the regs technically said they had to. We meet
14 that target. They said that you should model for
15 all sources. We have done that and all the
16 permutations we talked about.

17 They said for combined cycle units,
18 not the technology that we're employing, these are
19 units that use large amounts of steam, that we
20 should really look at water use. We are not using
21 combined cycle. We are not using anywhere near
22 that kind of water. There is very low water use in
23 simple cycle plants.

24 They said you should consider sound

1 and that all facilities should meet the very strict
2 noise criteria established by the State of
3 Illinois. We do that. We have met those
4 standards. We prove we meet those standards.

5 They say there should be a public
6 hearing for each turbine project. Before they came
7 out with that recommendation, we volunteered for
8 this public hearing. So everything that the state
9 control board said should be done when looking at
10 these projects we have done.

11 What's going to happen when the plant
12 is built? It's going to be very similar to any
13 other industrial facility. You are going to have
14 some traffic increases during construction, both
15 with workers and with equipment coming to the site.
16 You are going to have noise, dust and water runoff
17 at the site. Those are strictly regulated through
18 the storm water management program so that they are
19 kept on site so that the effects on local
20 communities is minimal just like with any
21 construction project. And we are responsible for
22 making sure they are in compliance with those
23 standards. Really no significant impact on the
24 community or local residents, especially for the

1 location of this project.

2 And I think that's it for us. I would
3 like to enter into the record a copy of the
4 presentation. We also have a letter of endorsement
5 from the Southland Chamber of Commerce which, to
6 summarize, says that assuming that the Village of
7 Crete finds this project consistent with its goals
8 Southland Chamber of Commerce certainly supports
9 this project as well.

10 Could we go off the record for a
11 minute.

12 (Discussion outside the record.)

13 HEARING OFFICER SELTZER: So you have
14 copies, hard copies of the overhead?

15 MR. R. TRZUPEK: Yes.

16 HEARING OFFICER SELTZER: Do you have
17 additional copies that the audience can look at or
18 just have one copy?

19 MR. R. TRZUPEK: We have a few. I don't
20 know that we have enough for everyone.

21 HEARING OFFICER SELTZER: I will take a
22 copy and give it to the court reporter and ask that
23 she mark this as Exhibit 1.

24 (Document marked as Exhibit No. 1

1 for identification as of 1/23/01.)

2 HEARING OFFICER SELTZER: Is the letter
3 included in here? It is not. Do you have the
4 letter also?

5 MR. R. TRZUPEK: We do. This is a copy.

6 HEARING OFFICER SELTZER: This is a letter
7 dated January 23, 2000, directed to Brad Frost,
8 signed by Cindy Doorn. Mark that as Exhibit 2.

9 (Document marked as Exhibit No. 2
10 for identification as of 1/23/01.)

11 HEARING OFFICER SELTZER: Before we go any
12 further, I will just indicate that I understand the
13 Village of Crete asked us to explain that, in fact,
14 the Village had no say so as to where this hearing
15 would be held. I guess there has been some
16 criticism that the Village didn't hold the hearing
17 in the Village of Crete. The Agency basically
18 looked around to find the most available place. We
19 called the school district, and this is the
20 building and the place that they recommended. So
21 that's why the hearing is being held here.

22 Before we go any further, I will ask
23 are there any questions up to this point in time?

24 Yes, sir.

1 MR. GAINES: Just so I understand,
2 tonight's hearing is only about air quality; right?

3 HEARING OFFICER SELTZER: Yes.

4 MR. GAINES: So other questions would
5 really be a waste of time?

6 FEMALE VOICE: No.

7 MR. GAINES: Wait, wait, wait. Will there
8 be another time to raise the questions?

9 FEMALE VOICE: No. This is it.

10 MR. GAINES: I'm just asking.

11 HEARING OFFICER SELTZER: Questions such as
12 what?

13 MR. GAINES: Water quality, night lighting,
14 dust during construction, etcetera. Just other
15 general concerns.

16 HEARING OFFICER SELTZER: The only concerns
17 that are pertinent to tonight's hearing are the air
18 concerns, the emissions concerns, and the
19 applicable regulations, because that's all the
20 Agency will look at.

21 MR. GAINES: That's what I heard, yes.

22 So everything else is really
23 immaterial?

24 FEMALE VOICE: No. We want to --

1 HEARING OFFICER SELTZER: I'm not saying
2 it's immaterial.

3 FEMALE VOICE: No.

4 MR. GAINES: I'm on your side. I'm just
5 trying to get clarity.

6 HEARING OFFICER SELTZER: Hold it. Hold
7 it. Please.

8 MR. GAINES: I'm not upset.

9 HEARING OFFICER SELTZER: Would you let him
10 speak? We will speak one at a time.

11 I'm sorry, sir.

12 MR. GAINES: Excuse me. I'm not angry, nor
13 am I against the project necessarily. Okay?

14 HEARING OFFICER SELTZER: Okay.

15 MR. GAINES: I'm just trying to gather
16 information.

17 HEARING OFFICER SELTZER: Okay. You should
18 just understand that in order to issue or not issue
19 this permit the only thing that we look at are the
20 applicable regulations.

21 MR. GAINES: And air quality?

22 HEARING OFFICER SELTZER: There may be
23 other issues, but they won't be wrapped up into
24 this permit hearing.

1 MR. GAINES: This purpose tonight is for
2 air quality. That's what I heard. That's all I'm
3 asking.

4 HEARING OFFICER SELTZER: Yes.

5 MR. GAINES: So if I'm concerned about
6 night lighting over there, when do I raise that
7 concern? Maybe you don't have an answer for that.

8 HEARING OFFICER SELTZER: I don't have an
9 answer to that.

10 MR. GAINES: Okay. I will have to pursue
11 that other places. That's what I want to know.
12 Thank you.

13 HEARING OFFICER SELTZER: We will go to the
14 cards now. Susan Zingle.

15 MS. ZINGLE: I guess my first question is
16 actually for the IEPA. Rich mentioned the Illinois
17 Pollution Control Board standards. Those standards
18 were recommendations only. And they ask that the
19 IEPA file for a rule making. I was wondering when
20 the IEPA was going to do so.

21 MR. ROMAINE: We are still evaluating.

22 MS. ZINGLE: I didn't say if. I said when.

23 MR. ROMAINE: We are still evaluating how
24 to proceed. And I'm not sure -- I know we haven't

1 set a timetable at this point.

2 One of the curious things I think is
3 that the Board recommended there be a further rule
4 making to address the issue of best available
5 control technology. That isn't necessarily the
6 quickest way to resolve that issue. So I think
7 that's one of the things that we are considering
8 from the fact there might be another way to achieve
9 that objective.

10 MS. ZINGLE: Within the application and the
11 modeling, how tall are the smoke stacks going to
12 be?

13 MR. R. TRZUPEK: About 60 feet.

14 MS. ZINGLE: And is there just one for each
15 turbine? We don't have --

16 HEARING OFFICER SELTZER: Can everybody in
17 the back hear?

18 MS. ZINGLE: You brought up in your
19 presentation some of the local benefits. So I will
20 go ahead and ask you some questions. Are the
21 turbines taxed as real property? Are they included
22 in your assessed evaluation, or will they be
23 personal property?

24 MR. R. TRZUPEK: The business question I

1 think I'm going to tag off to the partners.

2 MR. DAVIS: Christopher Davis with DTE.

3 And the answer to the question is the gas turbines
4 are considered personal property.

5 MS. ZINGLE: And in fact, how many
6 employees will be at the site after construction is
7 over full or part time?

8 MR. DAVIS: Approximately five or six.

9 MS. ZINGLE: And is that full or part time?

10 MR. DAVIS: No. It's what we call
11 full-time equivalence. It's the equivalent of
12 full-time people, but it may be more in the summer
13 and less in the winter.

14 MR. GAINES: Could I ask, could I add to
15 your question?

16 HEARING OFFICER SELTZER: Just a minute.
17 No. Sir, you will have your turn.

18 MR. GAINES: Sorry. No, I didn't mean --

19 MS. ZINGLE: Mr. Trzupsek also said that
20 they met the Illinois Pollution Control Board
21 recommendations. Part of those recommendations are
22 for noise. So I would like to know have you
23 actually modeled the noise impacts of your plant on
24 the neighborhood?

1 MR. R. TRZUPEK: We have.

2 MS. ZINGLE: But you did not show them here
3 this evening?

4 MR. R. TRZUPEK: We did not.

5 MS. ZINGLE: Where is the nearest
6 residential property, whether in the village or in
7 unincorporated areas?

8 MR. R. TRZUPEK: A quarter mile.

9 MR. DAVIS: Quarter mile.

10 FEMALE VOICE: Excuse me. That's wrong.

11 HEARING OFFICER SELTZER: Just a minute.

12 Now let's go off the record.

13 (Discussion outside the record.)

14 MS. ZINGLE: So you modeled the noise. Are
15 copies of that noise study available for people to
16 see either through the Village or from your
17 company?

18 MR. R. TRZUPEK: The modeling study has not
19 been finalized. So at this point the answer to
20 that is no.

21 MS. ZINGLE: Have you also modeled the
22 underlying ambient or background noise so people
23 can see what impact this has, the difference?

24 MR. R. TRZUPEK: I think we would have to

1 defer that to our noise consultants, and I can't
2 answer that one for you.

3 MS. ZINGLE: And how much water will your
4 plant use?

5 MR. DAVIS: Approximately 125 gallons per
6 minute during operation.

7 MS. ZINGLE: And where will you get the
8 water?

9 MR. DAVIS: The water will be taken in the
10 village municipal system which will be supplemented
11 by a well that the project will drill and convey to
12 the Village.

13 MS. ZINGLE: And what aquifer will that
14 well tap?

15 MR. DAVIS: I'll have to get you an answer
16 on that. I don't have -- I don't have that at my
17 fingertips.

18 MS. ZINGLE: Okay. I noticed -- Back to
19 the IEPA. As I was going through the permit, I
20 didn't see a time frame in this permit for when
21 they must start construction before the permit
22 expires. How long is the permit valid?

23 MR. ROMAINE: The permit is valid for one
24 year before beginning construction. That's one of

1 the standard conditions for regular state operating
2 permits. If this were a PSD permit, there would be
3 a further provision allowing an 18-month period to
4 start construction.

5 MS. ZINGLE: As we get into the body of the
6 permit on page 2, I see some new things in here, a
7 new definition for peak mode in paragraph "c."
8 Specifically, "...Peak mode means gas turbine
9 operation above the normal rated capacity of the
10 turbine," along with the commensurate increase in
11 the output.

12 I have never seen that in any permit
13 before, and I was wondering what triggered it here
14 as opposed to the ones in other cities. And I
15 don't know who I'm addressing that question to.

16 MR. ROMAINE: Well, I think we eventually
17 end up here. But it is found in this permit
18 because it's a feature of the turbines that was
19 identified in the application by the applicant, and
20 they requested special consideration for that mode
21 of operation.

22 If you would like to follow up on
23 that.

24 MR. R. TRZUPEK: I think Chris has

1 summarized it. It's an ability to get a little
2 extra power out of the turbine that you pay a
3 maintenance price for. It can be a costly thing to
4 the source, but it enables you to get a little
5 extra power out of the turbine.

6 MS. ZINGLE: You also get significantly
7 more than double the pollution out of the turbine?

8 MR. R. TRZUPEK: Correct.

9 MS. ZINGLE: Do you get twice the power?

10 MR. R. TRZUPEK: You do not get twice the
11 power.

12 MS. ZINGLE: So you make it essentially
13 less efficient for a little bit more power. More
14 dirty, less efficient, a little bit more power.

15 MR. R. TRZUPEK: Correct. And I think the
16 economic drivers -- people have considered asking
17 for peak mode of commission before, but we are the
18 first to do that -- is that if you -- The
19 economics don't make sense to run it that hard and
20 pay for that maintenance unless the cost of power
21 is so great. Now the only time the cost of power
22 is going to be that great is if there is
23 essentially a power emergency. So that's when you
24 employ peak mode when the numbers got up high

1 enough that you would be willing to pay the cost of
2 what it's going to cost the turbine.

3 MS. ZINGLE: Later down that same page on
4 paragraph "e," the NOx permitted is 220 tons of
5 emissions per year. And yet in the body of the
6 application the most I saw from the company was
7 163 tons per year. I was wondering why the IEPA
8 increased that one element and not the others.

9 MR. ROMAINE: This was done following
10 discussions with the applicant in terms of
11 explaining how the permit would be drafted in terms
12 of limitation and how to address the peaking mode.
13 In terms of addressing peaking mode, we have to
14 account for full operation at 800 hours per year at
15 that peaking mode operation. You also have to
16 consider start-up emissions with the increased
17 emissions at that level.

18 MS. ZINGLE: But that was already included
19 in the application I thought.

20 MR. ROMAINE: Is that correct?

21 MR. PATEL: Yes.

22 MS. ZINGLE: Yes, it is. I have it.

23 MR. ROMAINE: And then the final point that
24 Manish is pointing out to me, it relates to the

1 commitment made on carbon monoxide. For the
2 original application the carbon monoxide was
3 constraining emissions. And if, in fact, carbon
4 monoxides form better, which has been our expense
5 based on testing data --

6 MS. ZINGLE: No. The version of the
7 application that I'm looking at -- forgive me while
8 I dig -- it is an application dated -- received
9 December 11. The letter is also dated December 11.
10 And -- Oh, I take that back. Where is the first
11 page? It's dated November 30. It is 1.67
12 determination of potential emissions, four simple
13 cycle combustion turbines, NOx, 163 tons;
14 particulate matter, 45; carbon monoxide 239; VOM,
15 8.1; SO2, 2.6.

16 MR. ROMAINE: In terms of further
17 discussions, there is a supplement to the
18 application dated December 11, 2000, where they
19 request an annual NOx emission of 220 tons per
20 year. And it explains this change is requested as
21 a conservative approach to the requested CO annual
22 emission limit.

23 MS. OWEN: Would you repeat the date on the
24 letter, please.

1 MR. ROMAINE: December 11.

2 MS. ZINGLE: I didn't get that letter in my
3 FOIA.

4 MS. OWEN: I didn't either.

5 MR. ROMAINE: And we received a copy of
6 that by fax on the 11th.

7 MS. ZINGLE: Oh, now we have fun. On
8 page 3 of the permit, paragraph B, talking about
9 startup emissions, "...startup shall be assumed to
10 be 125, 400 and 250 percent higher..." I find it
11 absolutely unacceptable that the IEPA is assuming
12 standards within a permit without testing or proof
13 from the manufacturer or some other element to
14 actually identify what those startup emissions are.
15 And really, that is the comment. You can't say
16 assumed. If it runs higher or lower, there is no
17 way to catch it. It could put them over the top
18 and make them PSD. So --

19 MR. ROMAINE: I think we have a problem
20 with drafting. The intent there is to make clear
21 that this is a high level assumption that is to be
22 made even if emissions are actually less.

23 MS. ZINGLE: Not from the information we
24 have seen in other permits.

1 MR. ROMAINE: And the permit -- Let me
2 just check to make sure.

3 MR. R. TRZUPEK: If I can contribute. If
4 you look, Susan, at 11c, IV, you will see that the
5 test plan specifically provides for testing the
6 emissions during startup mode.

7 MS. ZINGLE: Yes, they do. But you have
8 already got the permit that assumes what these are.
9 So I want to see -- This is directed to them. I
10 want to see startup addressed clearly and
11 separately and distinctly in the permit. No
12 assume.

13 Later down that same page 3,
14 paragraph 4a, you have allowed them 30 percent
15 opacity. And yet in the application they claim to
16 be able to meet 20 percent opacity. So I was
17 wondering what the reason for the increase was.

18 MR. ROMAINE: The condition cites the
19 applicable regulation. The applicable regulation
20 allows 30 percent opacity from a process emission
21 source.

22 MS. ZINGLE: That's a state regulation.
23 What about the federal?

24 MR. ROMAINE: There is no federal

1 limitation on opacity.

2 MS. ZINGLE: I'll go back to the
3 application and find the comment.

4 On that same page, more fun. A, "The
5 permittee shall manage the operation of the
6 turbines to minimize multiple startups of a turbine
7 in a single day, unless startup is tripped off, and
8 to provide adequate time to follow the procedures
9 for normal startup of the turbines, except for
10 requests for immediate delivery of power as would
11 result from unexpected loss of a transmission line
12 or other generating capacity."

13 So I guess my question is who makes
14 those requests for immediate delivery of power?
15 Who makes the determination that, in fact, this
16 provision kicks in? Is it the ICC? Is it the ISO?
17 Is it FERC? Is it you? Is it -- How does this
18 work?

19 MR. ROMAINE: This determination or this
20 request for power would be made by the person
21 purchasing power from the facility.

22 MS. ZINGLE: So it could be ComEd? It
23 could be the City of San Francisco? It could be
24 somebody in Florida?

1 MR. ROMAINE: That may be stretching things
2 to say it would be somebody that far away.

3 MS. ZINGLE: It could be Ohio? It could be
4 Wisconsin? It could be Indiana?

5 MR. ROMAINE: It could be any company that
6 is relying on this company as their source of
7 emergency power.

8 MS. ZINGLE: And so a power crisis
9 theoretically anywhere in the United States could
10 cause this plant and every other permit that you
11 have written this way to trigger production and the
12 corresponding pollution here in Illinois?

13 MR. ROMAINE: No.

14 MS. ZINGLE: Okay. Explain to me why not.

15 MR. ROMAINE: The ability of power plants
16 to supply power beyond the region is not something
17 that's been well established.

18 MS. ZINGLE: Well, even within the region.
19 We heard testimony at the Pollution Control Board
20 that, in fact, power is bought and sold at least as
21 far away as Tennessee and the Carolinas. So I
22 agree that New York and Florida and California are
23 exaggerations. But in fact, certainly outside of
24 the immediate geographic area and outside the

1 state.

2 MR. ROMAINE: That is possible, yes.

3 MS. ZINGLE: And to the extent that you put
4 this same provision in other permits, and I don't
5 see it in other permits, in fact, Illinois could
6 become both the power generating capital and the
7 pollution capital for the United States or a larger
8 area.

9 MR. ROMAINE: You are jumping I guess
10 issues.

11 MS. ZINGLE: Yes.

12 MR. ROMAINE: What's the role of this
13 facility, who it will serve, is one question.
14 Certainly this provision does allow for an
15 expedited process to turn on the turbine when there
16 is an emergency request for power.

17 MS. ZINGLE: So the power, obviously, may
18 not be here in the state, it could be anywhere.
19 And I guess I find that unusually generous.

20 MR. ROMAINE: I accept that as a comment.

21 MS. ZINGLE: Given the fact that your
22 responsibility is Illinois air quality.

23 MR. ROMAINE: I accept that as a comment
24 then.

1 MS. ZINGLE: Well, the comment is please
2 take that out.

3 On page 6, paragraph 11a, you talk
4 about an independent testing service. I was also
5 curious if and where you are going to measure
6 hazardous pollutants. Are they just assumed to be
7 a function of some of the others?

8 MR. ROMAINE: It is certainly acceptable to
9 assume that hazardous air pollutants are a function
10 of the others. There are USEPA emission factors
11 that allow emissions of hazardous air pollutants to
12 be determined from information on emissions of
13 volatile organic material. However, if a decision
14 is made to use the method 18, which allows
15 speciated test results, then we do specifically ask
16 for measurements to be conducted for hazardous air
17 pollutants.

18 MS. ZINGLE: And bear with me a moment
19 while I go through the rest of my notes.

20 Oh, in the application dated
21 October 10, the applicant explained that Power
22 Energy is requesting permission to operate a
23 turbine up to 2250 annual hours of which up to 200
24 hours per year may be peak load operation. And the

1 worst case scenario consists of the following:
2 250 base load hours, 200 peak load hours, and 200
3 starts per turbine per year, which indicates that
4 they very easily could be running the plant far
5 more than just the summer peak operating season
6 that was indicated.

7 I was also wondering, thinking back on
8 the startups, why then since they are so willing to
9 offer a number don't you limit the number of
10 startups to something less than 200 or at least cap
11 it at the 200?

12 MR. ROMAINE: I will accept that as a
13 comment.

14 MS. ZINGLE: Well, I ask you why.

15 MR. ROMAINE: Given the nature of these
16 facilities as an emergency power supplier, we
17 certainly expect that the startups will be well
18 below 200 hours per year. On the other hand, if
19 there were some extraordinary circumstance
20 whereby -- some reason, I'm not sure what it would
21 be -- there would be the need to use this plant
22 more than 200 days per year, we don't necessarily
23 want to hamstring its operation if it can
24 successfully operate as a minor source as allowed

1 by this permit.

2 MS. ZINGLE: Okay. I'm not sure I agree,
3 but your comment is noted. And again you
4 referenced emergency needs. And again emergency
5 would be dictated by the company with whom they
6 have the contract and not by the ICC or an
7 independent service organization?

8 MR. ROMAINE: Well, certainly the ICC does
9 not declare emergencies. Presently emergencies are
10 declared by the -- what is the current -- the grid.
11 And they could be declared in the future by the
12 independent system operator, but it is also as
13 likely that a supplier of power who loses a
14 generating plant could call in a plant like this
15 facility directly without having to go through an
16 intermediary and get more direct response.

17 MS. ZINGLE: What other large sources were
18 considered in the air modeling? I noticed the
19 reference to Constellation Energy, but I believe
20 there are other large manufacturing plants as well
21 as other power plants in the area.

22 MR. ROMAINE: I think you can answer.
23 Constellation was the plant?

24 MR. PATEL: Right.

1 MR. ROMAINE: Yes. When our modelers
2 reviewed the inventory, they believed that the only
3 large plant in this vicinity that needed to be
4 addressed was the proposed -- or the Constellation
5 facility under development.

6 MS. ZINGLE: That's all I have right now.
7 Thank you.

8 HEARING OFFICER SELTZER: Next is Verena
9 Owen.

10 MS. OWEN: Yes. Thank you. My name is
11 Verena Owen. I'm on the board of Illinois Citizens
12 Power Coalition. The power coalition is an
13 umbrella group for 15 some community groups united
14 to take the peaker power plant problem in Illinois
15 out of our back yards and make it an issue.

16 Since I introduced myself, I would
17 like to know who you guys are, who are Power Energy
18 Partners? Who are your parent companies?

19 MR. DAVIS: This is Christopher Davis, DTE.
20 Power Energy Partners is the joint venture of MCN
21 Energy Group in Detroit, Michigan, DTE Energy
22 Services in Ann Arbor, Michigan, and the Entergy
23 Power Group out of the Woodlands, Texas.

24 MS. OWEN: Are you in any way connected

1 with Detroit Edison?

2 MR. DAVIS: DTE Energy Services is an
3 affiliate of Detroit Edison, but it's a separate
4 company.

5 MS. OWEN: Was MCN not lately bought by
6 Detroit Edison?

7 MR. DAVIS: MCN Energy Group and DTE
8 Energy, the parent company, are going to merge
9 sometime in 2001.

10 MS. OWEN: What gas company are you going
11 to get your gas from here? I'm not familiar.
12 There seems to be lots of pipelines going through
13 here. Do you know who your supplier is going to
14 be?

15 MR. DAVIS: The source of the natural gas
16 has not been determined yet. There are many
17 suppliers in the marketplace. There is Canadian
18 suppliers. There are suppliers in the Gulf coast.
19 There are also suppliers in Michigan as well as
20 other regions in the country, but no decision has
21 been made as to a supplier.

22 MS. OWEN: Don't you have to be fairly
23 close? I mean part of the presentation was you are
24 close to gas lines. So I would think that your

1 choices are limited by available gas pipelines.

2 Are all these people you just mentioned?

3 MR. DAVIS: The gas in today's legal
4 structure is governed by the Federal Energy
5 Regulatory Commission. Interstate pipelines do not
6 market gas, they only deliver gas. So they run a
7 delivery service, a transport service. The project
8 will procure its end gas from suppliers and then
9 have it delivered to the site through the
10 interstate pipelines.

11 MS. OWEN: I see. It's like a highway.

12 MR. DAVIS: Yes.

13 MS. OWEN: This is from your letter dated
14 November 30 to the IEPA.

15 On page 1, it says "Items addressed in
16 this packet are as follows: Manufacturer's data to
17 back up the peak and base load emission rate and
18 conditions. Data is derived for location at the
19 centrally equivalent elevations."

20 Then later in the package there seems
21 to be a data sheet from DTE Energy from the Holland
22 plant. Is that what you rely on to come to your
23 emissions calculations? Is this the data sheet you
24 guys used?

1 MR. DAVIS: That is the preliminary data
2 sheet. And Holland, Michigan, is on the west coast
3 of Michigan, Lake Michigan -- Excuse me. It's on
4 the east coast of Lake Michigan on the western
5 boundary of the western edge of the state of
6 Michigan.

7 MS. OWEN: And the EPA did not have a
8 problem of you using this as a preliminary --

9 MR. R. TRZUPEK: No, they did not.

10 MR. ROMAINE: No. We didn't.

11 MS. OWEN: Point No. 4, which amused me,
12 says "Device startup data based on startup date
13 permitted for the Carlton plant which utilizes the
14 state model for the proposed..." Did you base your
15 startup emission rates on the Carlton emissions for
16 startup?

17 MR. R. TRZUPEK: That's correct. And it
18 also -- We reference Carlton as something that had
19 already been established in the records, but it was
20 also based on data that had been independently
21 established by ourselves and GE.

22 MS. OWEN: Then I don't understand your
23 answer. Did you base startup on the Carlton permit
24 or not?

1 MR. R. TRZUPEK: We based the startup
2 emission rates that we asked for on the Carlton
3 permit. The actual startup emissions based from
4 what we know from our own data and GE is going to
5 be lower than what we have asked for.

6 MS. OWEN: Okay. But what you submitted to
7 the EPA was based on the Carlton permit?

8 MR. R. TRZUPEK: That's correct.

9 MS. OWEN: I didn't bring the Carlton
10 permit. I'm painfully familiar with the Carlton
11 permit.

12 This is to Manish Patel from the
13 startup plant. There is no date on this letter.
14 June 5. I would like to -- You guys can have --
15 I didn't bring a copy. You just have to believe
16 me. It says GE frame 7 EA gas turbines, which you
17 guys are using. NOx average emission rate during
18 gas turbine startup is 57.3 pounds per hour.

19 How does that compare to your 40
20 pounds?

21 MR. R. TRZUPEK: I would have to look at my
22 own copy of the Carlton permit to tell you that.
23 And that's something we could get back to you.

24 MS. OWEN: I also brought another permit

1 that uses EA emissions. This is from Flora,
2 Illinois. Total startup emissions -- And by the
3 way, this says, "IEPA turbine CO emission rate,
4 4 PG 741 gas turbine provided by Elwood Energy."
5 It says, "IEPA turbine CO emission." And it comes
6 in at 322.359 pounds. That is a lot higher than
7 what is in your permit.

8 MR. R. TRZUPEK: For which facility?

9 MS. OWEN: Carbon monoxide startup
10 emissions.

11 MR. R. TRZUPEK: And what model turbine?
12 What's the facility, though?

13 MS. OWEN: This is for Flora, and it is
14 actually based on the Elwood permit.

15 MR. R. TRZUPEK: And the Elwood permit was
16 GE 7 FA's.

17 MS. OWEN: No. The EA's.

18 MR. R. TRZUPEK: No. Actually I did all
19 the Elwood permitting, they are FA's.

20 MS. OWEN: It says GE 7 EA CO rate. Fine,
21 you can argue that with me later. Maybe it's a
22 typo.

23 HEARING OFFICER SELTZER: Miss Owen, what
24 are you reading from?

1 MS. OWEN: Yes. This is Emissions
2 Calculations CO during startup from the MEP Flora
3 Power, L.L.C. And this is apparently a sheet that
4 was given to them or they used data from the IEPA.

5 Sorry. I have to look through the
6 paperwork. I have a question to the EPA, please,
7 about this. May I? This is one of my favorite
8 responsiveness summaries from Carlton. The
9 question was "The multiplier factors being used to
10 account for higher emissions during startup
11 emissions of the proposed turbines are lower than
12 the ones used in the permits for other peaking
13 facilities."

14 The answer is, "It is appropriate to
15 use this project specific data that had startup
16 factors for this facility as the emissions data for
17 these turbines during normal operations is also
18 different from the data for the models of turbines
19 being used by other new peaking facilities."

20 We asked this question before, and you
21 told us it was inappropriate to use any other
22 startup from any other facility for startup
23 emissions for a facility. Yet, you let them do
24 this. And you even provide startup emissions to

1 other facilities now.

2 Oh, let's go on. In your
3 presentation, you said that the peak demand is
4 usually between like 7 o'clock in the morning or
5 like 7:00 at night or 6:00 at night or something
6 like that. It's about, what, ten hours about?

7 MR. R. TRZUPEK: Correct.

8 MS. OWEN: In your permit you asked for
9 2250 hours a year of operation, is that correct?

10 MR. R. TRZUPEK: Correct.

11 MS. OWEN: If you divide this by ten hours,
12 that is 225 days. Now, usually from what I
13 understand those peakers don't run on the weekend.
14 If you divide 225 days by five workdays, you are
15 looking at 45 weeks of operation.

16 MR. R. TRZUPEK: Actually a year is 8 --

17 MS. OWEN: -- 52.

18 MR. R. TRZUPEK: A year is 8760 hours.

19 MS. OWEN: That's correct. But you run --
20 I'm not talking about the hours. I'm talking about
21 the days, the weeks.

22 MR. R. TRZUPEK: The days.

23 MS. OWEN: Yes.

24 MR. R. TRZUPEK: And when I said that peak

1 hours are 7:00 to 7:00, 10 to 12 hours, that's
2 typical. You certainly have days from what we have
3 seen from other plants operating now where it can
4 go longer, 16. We have certainly seen times --
5 And Elwood is probably a real good example since
6 you are probably familiar with that one where
7 ComEd -- I'm sorry -- Midwest Generation has
8 actually taken down coal plants for maintenance and
9 ComEd has run in the winter, which I think has been
10 good for everybody. So we applied for a number of
11 hours appropriate to the control technology we are
12 using.

13 MS. OWEN: But you are not only in the
14 summer when the temperatures are high. I mean if
15 you can -- 45 weeks is pretty much all year-round.

16 MR. R. TRZUPEK: Again, if you look at the
17 records of the plants that are actually running, I
18 think it's pretty typical that everyone applies for
19 a nice cushion of hours. Every one has been
20 running somewhat less, but --

21 MS. OWEN: Well, thank you. Well, I will
22 get to that in a minute. Thank you. I was just
23 making sure that I had my numbers right.

24 MR. R. TRZUPEK: Yes.

1 MS. OWEN: What is the average temperature
2 in Illinois?

3 MR. R. TRZUPEK: I would have to defer on
4 that.

5 MR. ROMAINE: It's roughly 50.

6 MS. OWEN: Yet they get a permit for
7 59 degrees. While the average temperature is
8 actually lower, and I just proved that they
9 technically can run all year round. If you give
10 them a permit for 59 when you know the average
11 temperature is 50 degrees, and they run 45 weeks
12 out of 52 in the year, that is wrong.

13 MR. ROMAINE: I don't follow the math
14 particularly. It's the complexity of dealing with
15 turbine emissions that vary based on ambient
16 temperature. And you are dealing with a plant that
17 operates as you have been --

18 MS. OWEN: This was a preliminary comment.
19 I will get back to you about that.

20 MR. ROMAINE: Well, operates primarily
21 during the summer months but certainly has the
22 ability to operate year round. Certainly if there
23 are other demands --

24 MS. OWEN: 45 weeks is not primarily summer

1 months. Even if they run 12 hours a day, we are
2 still looking at 35 weeks. That is just not all
3 summer months.

4 MR. ROMAIN: This plant is certainly being
5 permitted so it has a lot of capability. That's
6 correct.

7 MS. OWEN: That's right. So don't tell me
8 they run in the summer months.

9 MR. ROMAIN: Excuse me. I have to object
10 to that. Based on historical operation of peaking
11 facilities, the majority of their operation is
12 during summer months. This plant certainly has the
13 capability to operate outside of summer months.

14 MS. OWEN: That's correct. Thank you. I
15 will get back to this in a minute. But on page II,
16 2-2, the heat contact based on new heat value in
17 this application is 900 Btu. I ask you to remember
18 that number because I'm going to use it in a
19 minute.

20 Which brings me to the permit. I
21 would like to know what experience the EPA actually
22 has with these new peakers. And I'm not talking
23 about the old peakers that were built to support
24 the grid but owned by utilities. I mean about the

1 new merchant ones. How many Title V permits have
2 you issued for those yet?

3 MR. ROMAINE: None.

4 MS. OWEN: So what is your experience? Why
5 do you have expectations that you can't back up?

6 MR. ROMAINE: We have experience with the
7 new peaker plants that have operated in the years
8 '98, '99, and 2000.

9 MS. OWEN: But none of them have Title V
10 permits.

11 MR. ROMAINE: That doesn't mean that we
12 don't have emission data available for them if they
13 haven't completed performance testing and that we
14 don't have emission test results from their
15 operation. Emission data comes when facilities
16 begin operation. A Title V permit is not
17 indication that a facility has passed any major
18 threshold in its life.

19 MS. OWEN: So how many were running last
20 year? Ballpark figure.

21 MR. ROMAINE: Rocky Road. Elwood.

22 MS. OWEN: East Dundee.

23 MR. ROMAINE: Tilton. Reliant Segal.
24 Ameron, Pinckneyville. Ameron, Gibson City.

1 MS. OWEN: No. Six. Well, let's say six.
2 That's a nice round number.

3 MR. ROMAINE: That's a nice round number,
4 sure.

5 MS. OWEN: That is actually less than ten
6 percent of what is either in the stage of being
7 permitted or will be permitted or has applied for
8 permit. I don't know the newest number. I have
9 67. And I think your expectation might change
10 because you have so many and the market is
11 competitive.

12 MR. ROMAINE: The number again we are
13 confusing peaker plants with combined cycle plants.

14 MS. OWEN: No. I do not. I'm sorry. I
15 don't confuse them.

16 MR. ROMAINE: I have never stated yet that
17 we have emission data yet for combined cycle plants
18 because none of those are operating. The numbers
19 for peaker plants using simple cycle technology is
20 smaller. With the type plants that have dropped
21 out that have withdrawn their applications or
22 terminated --

23 MS. OWEN: In the 67, 10 of them are
24 combined cycle. So we are still looking at --

1 MR. ROMAINE: And 11 plants have dropped
2 out.

3 MS. OWEN: Good.

4 MR. ROMAINE: Which gets us down to 40, 48.

5 MS. OWEN: They were not included. They
6 were not included. I read your spreadsheet. They
7 were not included. On the spreadsheet, they are
8 not included.

9 MS. ZINGLE: 11 dropped out of the total of
10 78 to get you to the 67.

11 MS. OWEN: They are not on the 67.

12 MS. ZINGLE: I didn't bring them.

13 MS. OWEN: I didn't bring any of the --

14 HEARING OFFICER SELTZER: Please.

15 MR. ROMAINE: We can go over the data. I
16 don't --

17 MS. OWEN: That's fine.

18 On the permit, first page, 1b, da, da,
19 da, da, da, "...except as allowed by 40 CFR
20 60.332(f)." Now, that's the ice bound rule.

21 MR. ROMAINE: That doesn't need to be in
22 there.

23 MS. OWEN: Thank you. Would you please
24 take it out.

1 I have a question to the gentleman who
2 answered the water question before. When you said
3 120 -- Who answered that? When you said 125
4 gallons a minute, is that per turbine or per
5 facility?

6 MR. DAVIS: Christopher Davis from DTE.
7 It's for the facility with all machines running.
8 All four machines, a total of 125 gallons, during
9 the time when the plant is running.

10 MS. OWEN: Okay. So that's roughly, what,
11 15, 16 million gallons?

12 MR. DAVIS: No. With the 2000 hours --

13 MS. OWEN: No, it isn't. It's 67 million
14 gallons, right?

15 MR. DAVIS: No. It's 125, 1,000 hours
16 would be 125,000 gallons. 2,000 hours would mean
17 250,000 gallons per year.

18 MS. OWEN: Thank you. On page 2 under
19 ld, ii, other than NOx, is there any other
20 emissions that get elevated in peak mode?

21 MR. R. TRZUPEK: The answer to that is no.

22 MS. OWEN: I kind of missed a load
23 discussion under the hourly emissions. In other
24 permits you were rather specific about what load,

1 not the peak load but the low load. There was a
2 limit on this. I believe Lockport was at 60. You
3 didn't think it was necessary?

4 MR. ROMAINE: No. This facility has to
5 meet these limits across the entire load range.

6 MS. OWEN: However, you tell them on page 3
7 that they should minimize operations of turbines
8 below 60 percent load and shall not operate
9 turbines below such lower loads at which emissions
10 testing conducted in accordance with condition 11B
11 has demonstrated compliance.

12 MR. ROMAINE: That's correct. We have
13 retained that feature.

14 MS. OWEN: 6A I just wonder if it's a typo
15 or what that means if it isn't. It says, "The
16 Illinois EPA upon request of the permittee may
17 extend this period if additional time is needed to
18 complete startup or perform emission testing."
19 Don't you mean shakedown?

20 MR. ROMAINE: It should be shakedown.

21 MS. OWEN: Otherwise it makes no sense.
22 Are you going to change this? Otherwise I need to
23 ask you questions about it.

24 MR. ROMAINE: It should be shakedown.

1 MS. OWEN: Page 6. You list a whole bunch
2 of USEPA reference test methods for opacity, carbon
3 monoxide, and so on. Yet you don't require them to
4 test for gas flow, new gas weight or moisture.

5 MR. ROMAINE: That's correct. Those are
6 things that are built into the other test methods.

7 MS. OWEN: They are built into what?

8 MR. ROMAINE: The other test -- They are
9 part of the standard protocols. We could list
10 them, we could not list them. I think in terms of
11 simplifying the permit, we took them out.

12 MS. OWEN: No. Don't make it simple for
13 them. I would like to have it spelled out what
14 they are supposed to do so they can come in and
15 argue later.

16 I have a question under -- I don't
17 even know what number -- 11b, ii, C, "The NOx
18 emissions shall be determined at four points in the
19 normal operating range of the gas turbines..."
20 What do you consider the normal operating range for
21 these turbines between? Give me four points here.

22 MR. ROMAINE: It further specifies
23 "including the minimum point in the range and the
24 peak load."

1 MS. OWEN: Right, and so on. So minimum
2 point peak load. You have to have some idea of
3 what you are looking at when you ask them for four
4 points. Are we looking at 50 percent load and 100
5 and 1 and 2 in the middle? Or are we looking at
6 90, 93, 95, and 100?

7 MR. ROMAINE: If they define the normal
8 operating range as between 90 and 100, you would be
9 talking about 90, 92 and a half -- Well, 93.3,
10 96.6. If they define the normal operating range as
11 between 60 percent and 100 percent, you would be
12 talking about 60 percent is the bottom and 100
13 percent --

14 MS. OWEN: I'm asking the one person then,
15 what is the normal operating range for these
16 turbines?

17 MR. R. TRZUPEK: 60 to 100 percent.
18 Normally operates at base load is where they are
19 most efficient. Testing programs for us and most
20 of their operators would be 50 to 100 percent load.
21 And we would have the addition of peak load
22 testing.

23 MS. OWEN: The peak of 100 and whatever.

24 I think Susan asked that question, I'm

1 not sure. Never mind then.

2 I have to ask a dumb question, I'm
3 sorry. Temperature is so important when it comes
4 to emissions. Would you explain to me at what
5 temperatures these emissions are set? Are they
6 supposed to comply with all emission limits at any
7 temperature, at 59 degrees? How do the
8 temperatures that are important fit into this
9 permit?

10 MR. ROMAINE: They are to comply with the
11 emission limits at whatever temperature they are
12 operating.

13 MS. OWEN: Okay. Good.

14 MR. ROMAINE: And if there are situations
15 where turbines have significantly different
16 emission characteristics at lower temperatures as
17 compared to other more typical temperatures, 59 to
18 95, the permit would specifically set alternative
19 emission limitations that would be applicable when
20 operating at those lower temperatures.

21 MS. OWEN: Does it say this in there?

22 MR. ROMAINE: No. So there are no other
23 alternative limits.

24 MS. OWEN: Okay. Thanks. That's all for

1 now.

2 HEARING OFFICER SELTZER: Next is Katherine
3 Kemp.

4 MS. KEMP: I'm Katherine Kemp. You said on
5 the computer modeling you used the proximity of the
6 name -- What was the name of the plant?

7 MR. PATEL: Constellation Power.

8 MS. KEMP: And that is where?

9 MR. PATEL: In University Park.

10 MS. KEMP: In University Park. When you do
11 computer modeling, how many miles of a region do
12 you have to take in?

13 MR. ROMAINE: It's a determination that is
14 actually made by the modeler depending upon the
15 modeled impact of the source that you are
16 investigating. So the higher the impact of that
17 source, the bigger area, it has a significant
18 impact, the broader the region you have to look at
19 to see what other sources might be interacting with
20 the proposed source.

21 MS. KEMP: I don't think -- I don't feel
22 like my question has been answered.

23 MR. ROMAINE: Well, it can be very small,
24 it can be very big depending on how large the

1 impact of the proposed source is.

2 MS. KEMP: How do you measure how large the
3 impact of the source is going to be?

4 MR. ROMAINE: You model the proposed source
5 by itself to see what its impact would be.

6 MS. KEMP: And you determine what -- What
7 has been determined about this plant, that it is
8 only going to impact to University Park?

9 MR. ROMAINE: When that was reviewed by our
10 modeling group, they determined that the only other
11 source that they believed was appropriate to
12 specifically evaluate would be Constellation Power.
13 One of the other things that also goes into the air
14 quality evaluation is consideration of background
15 air quality values as determined from monitoring.
16 So other smaller sources are considered in reaching
17 a conclusion that the facility won't threaten the
18 air quality standard, but they are not addressed in
19 an evaluation by doing actual modeling. They are
20 addressed by picking monitor data out of a
21 representative monitoring site.

22 MS. KEMP: I think there is something wrong
23 with me. I'm not understanding your answer. Can
24 you simplify it or put it in laymen's terms?

1 MR. ROMAINÉ: The purpose of modeling is to
2 evaluate sources that haven't been built yet but
3 evaluate changes in emissions that aren't in place
4 yet. Obviously, the most authoritative way to
5 evaluate emissions is with an ambient monitor. You
6 actually go out and measure the air quality levels
7 in an area.

8 MS. KEMP: But that hasn't been done.

9 MR. ROMAINÉ: We used a representative
10 model, a monitoring set.

11 MS. KEMP: What do you mean another model?
12 Nobody went out and measured anything.

13 MR. ROMAINÉ: The particular contaminate
14 where there is significant impact is particulate
15 matter. And the nearest particulate matter PAMS
16 site that was used was Midlothian, which was
17 believed to be a comparable or more heavily laden
18 site than Crete.

19 MS. KEMP: So the people who live in Crete
20 were told that their air is comparable to
21 Midlothian and they should trust that that is going
22 to be adequate for their purposes?

23 MR. ROMAINÉ: Right. Then on top of that
24 you evaluate what the impacts are of sources that

1 have not yet been built or operating that aren't
2 being represented in that monitoring.

3 MS. KEMP: Well, you said you only used,
4 concluded to use the one, but there are more that
5 are coming.

6 MR. ROMAINE: And those sites would then
7 have to evaluate the combined impact of --

8 MS. KEMP: The existing one.

9 MR. ROMAINE: This project, the
10 Constellation project.

11 MS. KEMP: But this one doesn't have to
12 include the ones that are coming?

13 MR. ROMAINE: It can't evaluate things that
14 are further down --

15 MR. KEMP: I'm still not understanding
16 because we know there is a lot of industry in
17 Chicago Heights which doesn't seem very far away.
18 Yet you said you only used this one plant in
19 University Park. I'm not understanding how those
20 determinations are made.

21 MR. ROMAINE: It's looking at the levels of
22 impact from the sources, how big the emissions are
23 and how likely an impact --

24 MS. KEMP: What about the tire burner in

1 Ford Heights?

2 MR. ROMAINE: That doesn't have significant
3 impacts. We have done specific modeling for that.

4 MS. KEMP: Yeah, right. I want to say one
5 more thing for the people here who might have never
6 sat in a permitting process. When they tell you
7 not to worry, these guys, that the Illinois EPA is
8 watching out for you, there were over 600
9 violations to the permit at Ford Heights in the
10 first four months of operation. Nothing has been
11 done about it.

12 You know, two children in this area
13 died of asthma this fall. Two. This is heart
14 breaking to those of us who live here. You can
15 talk about the economic advantages. We are talking
16 about our children and their health.

17 MR. ROMAINE: It is certainly heart
18 breaking when children die of asthma. But again we
19 are linking different things. To say that we are
20 not doing anything about the situation at the Ford
21 Heights tire burner is certainly incorrect.

22 MS. KEMP: I don't --

23 MR. ROMAINE: We may not be doing as much
24 as you would like. I don't think we are doing as

1 much as I would like.

2 MS. KEMP: What are you doing?

3 HEARING OFFICER SELTZER: Okay. Stop. No.

4 Too far off subject.

5 MS. KEMP: It's not off subject. It's a

6 few miles away.

7 HEARING OFFICER SELTZER: Are you done,

8 ma'am?

9 MS. KEMP: I'm finished. You better

10 believe I'm done.

11 HEARING OFFICER SELTZER: Let's take a

12 five-minute recess, ten-minute recess.

13 (Discussion outside the record.)

14 HEARING OFFICER SELTZER: Next is Robert

15 Gaines.

16 MR. GAINES: I really don't have too many

17 questions here because I don't want to be

18 irrelevant. And as I stated earlier, I guess this

19 is really only pertaining to air quality. Right?

20 So to ask questions about taxes and lighting and

21 everything else would -- I'm seriously asking a

22 serious question.

23 HEARING OFFICER SELTZER: They are not the

24 regulations that the Agency is by statute mandated

1 to look at in making its determination, correct.

2 MR. ROMAIN: I would certainly recommend
3 that you talk to the representatives of the
4 applicant during the break.

5 MR. GAINES: I would like the opportunity
6 publicly to ask these questions sometime. And
7 maybe at a village board meeting would be the
8 place.

9 HEARING OFFICER SELTZER: Frankly, I don't
10 know what their local siting ordinances are.

11 MR. GAINES: Well, they are just common-
12 sensical questions.

13 HEARING OFFICER SELTZER: I can't respond
14 to that.

15 Let me ask a question.

16 MR. GAINES: Sure.

17 HEARING OFFICER SELTZER: How long is it
18 going to take you to make these comments that are
19 irrelevant to the questions?

20 MR. GAINES: Less time than it did my
21 colleagues. I have no criticism.

22 MR. ROMAIN: Give me an idea of how long
23 you are talking about.

24 MR. GAINES: Couple minutes.

1 HEARING OFFICER SELTZER: Couple minutes,
2 go ahead.

3 MR. GAINES: Just a couple of things. One
4 is an air quality I guess statement that I would
5 like entered into the record and that simply is
6 that I just think it needs to be noted that the EPA
7 increased tenfold the amount of nitrous oxide that
8 is allowed in the air in the Chicago metropolitan
9 area from 25 tons to 250 tons in the mid 1990s. Is
10 that not correct? I just say that's a point of
11 record.

12 MS. ZINGLE: Yes.

13 MR. GAINES: So we are now at the high
14 side. To go from 25 tons to 250 tons is
15 significant. And just statement of fact that we
16 all need to be aware of if you are, indeed,
17 concerned about air quality.

18 I had some questions about the water,
19 but I believe the plant uses very little water. My
20 own math tells me -- Your books states -- What I
21 didn't like about it it states minimal, 100 gallons
22 a minute, which means nothing. But I think I hear
23 you saying the maximum is 125 gallons a minute.

24 MR. DAVIS: Yes.

1 MR. GAINES: Which is maybe 160, 70,000
2 gallons a day I get, which is little use. I don't
3 think that's a problem for us at all. Because it's
4 not water -- It's air cooled, etcetera. Well,
5 Will County has a hundred million gallons of
6 subsurface water available on a daily basis. I
7 mean I think it's a fair statement that water is
8 not a problem, and I think I hear that over here.

9 MR. DAVIS: Yes.

10 MR. GAINES: And that's just kind of a
11 figure that I came up with there.

12 One of my considerations, of course,
13 is what is it going to do for the Village of Crete
14 as far as tax income comes? And I have asked that
15 question. We had a nice discussion here on the
16 side. And they don't want to give out a figure,
17 which I understand, I can appreciate that point of
18 view. And depending on the assessed, equalized
19 assessed evaluation, then we have to make a
20 determination whether that's good for the Village
21 of Crete or not. We have to have energy somewhere.
22 I understand that.

23 In fact, you know, if the power plant
24 doesn't go there, then it has to go somewhere else.

1 Although we do have some people in the audience
2 tonight who are neighbors. Jackie right here. And
3 anyone else? And I would just speak on their
4 behalf, and they haven't asked me to. But again,
5 I'm Robert Gaines, I live in the Village of Crete.
6 And I have been personally impacted by development,
7 by industrial development. Okay? It personally
8 impacted me in a negative fashion. And so I can
9 speak with some authenticity here. I now have
10 noise I didn't have before. I now have night
11 lighting I didn't have before. I got that night
12 lighting decreased through my own efforts, not the
13 efforts of the Village of Crete, nobody went to bat
14 for me but me. That's not a complaint, but you
15 have to fight your own battles. But I got that
16 lighting decreased because it first shown on my
17 land. It's now shown on theirs. But these things
18 need to be resolved ahead of time.

19 And if, indeed, commercial industrial
20 development is good, and which I think it has its
21 good points, if it negatively impacts a neighbor,
22 and I don't speak for myself, I'm done and I do not
23 complain. But I think we need to consider
24 compensation for those neighbors. If this plant is

1 profitable, it is so good, then perhaps those who
2 live closest and are going to be affected by any
3 type of noise -- okay? -- by any type of night
4 lighting, by any type of air pollution, maybe then,
5 you know, eminent domain is for the common good of
6 all, then maybe an industrial development should
7 compensate those few people who are negatively
8 impacted.

9 It just to me has some logic to it,
10 and I offer it as something to think about I had
11 the opportunity to visit the plant in Indiana,
12 Indianapolis, last summer. I don't like the looks
13 of it, you know, but that comes with it. I'm
14 concerned about the height of the air stacks. I
15 don't think that's good.

16 I visited four or five neighbors to
17 ask about the plant. And I speak with all candor.
18 If it had run, I didn't hear it run. Okay. So I
19 don't know that it ran or not. One neighbor
20 said -- I had a hard time finding neighbors. He
21 said he didn't think it had run because he didn't
22 hear it. I talked to the employees there, which
23 were about three in numbers, and they said it
24 hadn't run but maybe it has run since. But just a

1 point of interest.

2 I have checked this out. The backup
3 power is going to be natural gas I believe, right?

4 MR. DAVIS: The only source of energy is
5 natural gas.

6 MR. GAINES: My concern is it would be
7 diesel, something that would pollute. So that's
8 real good for the plant.

9 And my only final question is is
10 what -- Two things. One thing I would like to
11 know the assessed evaluation. I don't know why we
12 can't come up with an estimate on that because if
13 I'm going to build the house I know the estimate,
14 but I understand you may not be able to give that.

15 And you know, another reason we do
16 this is for jobs. Okay. I saw three or four
17 people working there. But again, that could be for
18 an eight-hour shift. That could come out to nine
19 or twelve I guess if they work around the clock.

20 Over here we mentioned five people,
21 okay, full-time jobs. In your book you have a
22 yearly salary of 500,000. Is that 100,000 salary
23 per person? So is there a -- I'm sure that salary
24 is not that high. What am I missing?

1 MR. DAVIS: That is the cost of salary,
2 taxes, wages, benefits.

3 MR. GAINES: So maybe that statement is
4 just slightly misleading. I thought that statement
5 said that -- "Creates permanent employment of
6 500,000 a year" doesn't talk about taxes and what
7 other things, but just point of information. Maybe
8 that figure needs to be audited so it's just
9 accurate. If it's five jobs and \$30,000 a year
10 job, ought to be 150,000. That's all I'm saying.
11 So that, indeed, it's inaccurate. Because I don't
12 think jobwise it's going to be significant to our
13 community. I certainly could stand to be
14 corrected, but it's four or five jobs at 30,
15 35,000. That's really not significant for us.

16 And then the other thing was the
17 construction dust. I picked that up in
18 Indianapolis. And speaking for these people
19 here -- And this I got from the guy at the plant.
20 This was not a neighbor. The guy, he said make
21 sure that the people building the plant -- Dust
22 was horrendous during construction for the
23 neighbors. And whether they have to water down the
24 gravel, whatever you have to do, we have to be

1 concerned about that so that they aren't constantly
2 with the dust during that nine, twelve month
3 construction period. And it ends, of course, I
4 understand.

5 And that's the extent of my comments,
6 and thank you for listening.

7 HEARING OFFICER SELTZER: You bet. Thank
8 you.

9 Next is Jacquelyn Amadi.

10 MS. AMADI: Jacquelyn Amadi. I'm one of
11 the neighbors who will be impacted, and I live
12 within 1,000 feet of your site. There is a
13 neighbor in back of me who lives within about 500
14 feet and one to the side who is again within about
15 1,000. You may have missed us when you were
16 looking at the site.

17 The questions I came here with have
18 either been answered or are considered irrelevant
19 here. But I do have one. If the plant exceeds the
20 standards of the EPA or violates any of the
21 agreements, what are the penalties?

22 MR. ROMAINE: It's subject to an
23 enforcement action. The level of the penalties
24 could vary depending on the nature of the

1 violation. The greatest penalty could be \$50,000
2 for the violation and up to \$10,000 a day. That
3 would be rather high I would expect for something
4 of this sort. So that is certainly a possibility.

5 MS. AMADI: And the cost of the electricity
6 being produced?

7 MR. ROMAINE: That's a good point. One of
8 the purposes of any penalty is to recoup any profit
9 for noncompliant operation. So that's part of the
10 penalty policy. So if they have enjoyed economic
11 benefit from operating out of compliance, one of
12 the things the penalty would be designed to do is
13 extract that benefit from noncompliant operation.

14 I guess the other thing is that I
15 consider that something that's based on testing to
16 date for these new turbines. General Electric has
17 done very well in meeting the guarantees that it's
18 provided to its customers. I wouldn't say it's
19 been perfect. There have been some what I would
20 say is tuning problems that they are trying to push
21 the technology, certainly getting down to 9 ppm as
22 with these turbines is not something that you
23 necessarily achieve overnight with a new turbine.
24 And that's something that in the shakedown phase

1 there may, in fact, be some adjustments. And
2 hopefully GE is learning from some of their other
3 new sites so that you folks get the most advanced
4 7 EA machines off the assembly lines.

5 Do you want to further comment on that
6 I think warning for the performance of these
7 things?

8 MR. R. TRZUPEK: I think that's accurate.
9 It's a finely, very finely balanced machine. There
10 is a tuning phase when they are constructed. But
11 as Chris said, as we said during the presentation,
12 GE is really state-of-the-art and best performing
13 turbine available today.

14 MS. AMADI: Okay.

15 HEARING OFFICER SELTZER: Let me add
16 something to what has been said. Typically when
17 there is a violation the Agency does not
18 automatically file what is called an enforcement
19 case. The Agency generally will contact the
20 alleged violator and try, number one, to bring them
21 into compliance. Then at that point there may or
22 may not be a case that's sent out for enforcement.
23 If an enforcement action is brought, it's brought
24 by the Attorney General's office on our

1 recommendation.

2 And the cases usually are brought
3 before the Illinois Pollution Control Board. If it
4 goes that far, if there is an enforcement case, the
5 amount of the penalty is set by the trier of the
6 fact. And that's the Pollution Control Board in
7 most cases. And if someone cared to take the time
8 to go through some of the Pollution Control Board
9 orders, you get a good feel for the type of fines
10 that are really assessed.

11 MS. AMADI: I wanted to know who was
12 monitoring. There are other things, too, such as
13 sound and -- sound, candle power, etcetera, around
14 the plant. Would the village be monitoring this
15 or --

16 HEARING OFFICER SELTZER: The village can
17 monitor if they have an ordinance. The village can
18 monitor to apply the state standard. The EPA has I
19 think one -- at the most three, between one and
20 three employees that do our noise violation work
21 statewide, so --

22 MS. AMADI: Yes. When I asked at the
23 village last year, I was told it would be monitored
24 on a complaint basis.

1 HEARING OFFICER SELTZER: That's probably
2 true.

3 MS. AMADI: Well, yes. I understand, too,
4 you are going to --

5 MR. ROMAINE: I guess one of the things
6 that could be developed in advance is an agreement
7 that there would, in fact, be noise measurements
8 conducted as part of the initial startup and
9 shakedown facility to verify compliance with noise
10 standards. But again, that's something that's
11 outside of our permitting process.

12 MS. AMADI: But that is a way to do it
13 because I say since I live fairly close to it.

14 MR. ROMAINE: Some of the proposed plants
15 have worked out with their host communities
16 agreements whereby as part of the initial startup
17 and operation there is, in fact, a verification
18 with the noise standard.

19 MS. AMADI: Okay. And I understand there
20 is in the works a berm to go around this plant. On
21 one of your proposal or publicity sheets that I saw
22 the other day, you were talking of the 10-foot berm
23 to the west of the plant. Or we are talking about
24 maybe resiting it depending on --

1 MR. DAVIS: The berm is anticipated to be
2 on the west face of the plant. And I do not have
3 the drawing in front of me. We can get you that
4 information. My recollection is it's 25 feet in
5 elevation.

6 MS. AMADI: 25, okay.

7 MR. DAVIS: Yes.

8 MS. AMADI: The primary winds there are
9 westerly and from the south. So if the berm is on
10 the west, sound would be carried more -- Sound
11 would be carried more to the east. Why not berms
12 to the east and to the north where there are more
13 houses? Or is that a siting decision that the
14 village would have to deal with?

15 MR. DAVIS: Well, that really would be the
16 result of a detailed -- or the completion of the
17 noise analysis. The analysis today shows that we
18 will be in compliance with the noise requirements,
19 the state requirements.

20 MS. AMADI: Which are --

21 MR. DAVIS: I'm sorry, I can't quote them
22 chapter and verse. There is a series of different
23 octaves of the noise you have limitations on. And
24 we have modeled all of those octaves and have

1 determined that we will be in compliance with the
2 state requirements.

3 MS. AMADI: Yes. Thank you. That's all.

4 HEARING OFFICER SELTZER: Thank you.

5 Marianne Engel.

6 MS. ENGEL: I'm Marianne Engel. Actually
7 most of my questions have been answered, too. But
8 if I may be allowed an irrelevant comment or two,
9 not lengthy.

10 HEARING OFFICER SELTZER: Go ahead.

11 MS. ENGEL: One is really almost an aside.
12 When you responded before that there were -- or it
13 was you, I guess, sir, three people that are
14 available in the whole state of Illinois?

15 HEARING OFFICER SELTZER: I'm not sure how
16 many. There are between one or three people that
17 we have that work in that program.

18 MS. ENGEL: My first comment is that that
19 is one of things that would need to be increased.

20 HEARING OFFICER SELTZER: The Agency would
21 like to increase if they got the money to do it.

22 MS. ENGEL: The other question is also an
23 observation. I hear the discussion that the
24 potential use of water is not considered

1 significant. However, it seems to me that by the
2 time you have added, whether it's 50 or 67, however
3 many of these peaker plants around the state and
4 many of them in this area -- What aquifer are they
5 drawing on? And is that not, indeed, going to mean
6 something for all of us in terms of use of water?
7 Maybe as you say over here that it's not an
8 inordinate amount and it's done with a very
9 effective kind of piece of equipment, a GE turbine
10 and so on, however the long-term use of the water
11 to me is something that needs to be considered. We
12 will all lose if the aquifers are drained that much
13 more quickly. Thank you.

14 HEARING OFFICER SELTZER: Thank you.

15 I don't have any more cards that were
16 signed by individuals that wanted to ask questions
17 or make comments. So I will just ask generally is
18 there anybody out there that would like to add by
19 asking questions or making comments?

20 MS. STAFFORD: Jean Stafford. Something
21 was said about testing the emissions every five
22 years? I mean shouldn't you test the emissions
23 regularly? That struck me that --

24 MR. ROMAINE: For something of this sort,

1 that would, in fact, be our normal practice. Our
2 expectation is that very shortly this facility
3 will, in fact, have to have continuous emission
4 monitors for NOx as part of the NOx SIP call.

5 MS. STAFFORD: How do you get that into the
6 contract?

7 MR. ROMAINE: If the company would like to
8 do it immediately, that would be fine. But
9 otherwise we would wait until it's required as part
10 of the NOx SIP call.

11 MS. STAFFORD: Why can't you do it now?

12 MR. ROMAINE: The emissions of this type of
13 facility at 9 ppm don't warrant putting in that
14 level --

15 MS. STAFFORD: Shouldn't you put a safety
16 factor in there?

17 MR. ROMAINE: The emissions are so far
18 below.

19 MS. STAFFORD: We are talking about the
20 future. We are getting more polluted every time we
21 turn around.

22 MR. ROMAINE: The emissions of this machine
23 are, compared to other machines, very clean.

24 MS. STAFFORD: I'm not just talking about

1 this one. I'm talking about in general in the
2 area, everything that's going into this, and the
3 machines add more to it.

4 MR. ROMAINE: That's discussing the issue
5 of ambient monitoring. And there are ambient
6 monitors throughout the state that do monitor for
7 NOx. We have a number in the Chicago area. There
8 aren't any in this area, but there are located in
9 places that are upwind or downwind like Northbrook.

10 MS. STAFFORD: What are they? I mean I
11 don't know.

12 MR. ROMAINE: I can show you a copy of the
13 annual air quality report after the break. But we
14 have --

15 MS. STAFFORD: I'm worried about the air
16 quality here.

17 MR. ROMAINE: That's where the combination
18 of monitoring from existing sites and the modeling
19 demonstrates that the air quality in this area will
20 not be significantly affected by this facility.

21 MS. STAFFORD: Today.

22 MR. ROMAINE: Today.

23 MS. STAFFORD: There is tomorrow we are
24 talking about, too.

1 MR. ROMAINE: When each of these facilities
2 goes through the permitting process, if it's issued
3 a permit, there will be modeling that confirms that
4 the plant will not threaten compliance with the
5 ambient air quality standards.

6 MS. STAFFORD: The plant. But what
7 about -- I'm talking about not only that plant but
8 the future of things to come.

9 MR. ROMAINE: But for the future plants,
10 those will have to go through a similar process of
11 permitting.

12 MS. STAFFORD: Oh, all right.

13 (Discussion outside the record.)

14 HEARING OFFICER SELTZER: Are we through?

15 MS. OWEN: Are we taking more questions?

16 Sorry. I forgot to ask something. I carefully
17 pointed out the number of loading value of the gas
18 in the application as 900. I would like to know
19 what you used for the permit.

20 MR. PATEL: I didn't get the question. Can
21 you repeat the question?

22 MS. OWEN: Yes. In the application they
23 give the lower heat value of 900 Btu. I would like
24 to know what you used in the permit.

1 MR. PATEL: It's the low heating value for
2 fuel is 2,295 Btu per pound as specified in the
3 manufacturer's data sheet they provided.

4 MR. ROMAINE: I don't think we are
5 answering the right question.

6 MS. OWEN: I don't think so. I hope not.

7 MR. ROMAINE: Are you asking for the
8 calculation of the usage of natural gas, million
9 cubic feet?

10 MS. OWEN: Yes. And I would like to know
11 what heat value you used for that.

12 MR. ROMAINE: Do you want to volunteer if
13 you have that handy, Rich?

14 MS. OWEN: Thank you.

15 MR. R. TRZUPEK: Yes. It's 900 Btu's.

16 MS. OWEN: That's in your application. I
17 asked the EPA if they used the same number. I know
18 that's what you used. I would like to know what
19 they used.

20 MR. PATEL: It's their calculation they
21 have shown, and we checked that calculation and
22 that's their number we have used.

23 MS. OWEN: You used 900?

24 MR. PATEL: Yes.

1 MS. OWEN: Okay. Briefly back to the air
2 modeling. When you gave the answer that you can
3 really only model to include existing plants and
4 existing facilities -- Is that what you answered?
5 Because the people here have a lot of questions
6 because they are faced with more development. Is
7 that what is the answer you gave, that in the air
8 modeling they can only use existing facilities?

9 MR. ROMAINE: If you are asking whether air
10 modeling could be conducted for facilities that
11 have not yet been proposed to say --

12 MS. OWEN: Not proposed. Not permitted.
13 Something you know that's coming. I mean obviously
14 these people know that there is some other
15 developments, some other power plant coming. Are
16 you aware of this? Have they applied for a permit
17 yet?

18 MR. ROMAINE: The other facility in this
19 area I believe is the PPO global facility also in
20 University Park.

21 MS. KEMP: There are going to be three more
22 in Chicago Heights.

23 MS. OWEN: And what about Chicago Heights?

24 MR. ROMAINE: At this point I'm only aware

1 of one other facility that's been proposed for
2 Chicago Heights.

3 MS. OWEN: But you don't have anything in
4 writing on any of them yet? They have not filed an
5 application with you except for the Global PPO?

6 MR. ROMAINE: PPO Global had filed an
7 application. Duke Energy has filed for Chicago
8 Heights. Indeck had an application for Chicago
9 Heights, but that's been withdrawn.

10 MS. OWEN: Did they include those two
11 proposals in the air modeling?

12 MR. ROMAINE: I don't believe so.

13 MS. OWEN: Do you think they should?

14 MR. ROMAINE: I will have to go back and
15 check with my modelers.

16 MS. OWEN: Have you done --

17 MR. ROMAINE: I am not concerned about
18 Duke, but we will have to coordinate and make sure
19 that PPO Global has considered the overall
20 projects.

21 MS. OWEN: Plus you did it up north in Zion
22 for the Carlton Zion and the Badger one.

23 MS. ZINGLE: If I can amplify that for the
24 people here who don't know. Up in Zion we have two

1 plants proposed across the street from each other.
2 A 400 megawatt on the north side, and an 800
3 megawatt on the south side, and 400 yards over the
4 border a 1,000 megawatt facility in Wisconsin.
5 None of them are built yet. They were all in the
6 permitting stages. The IEPA did -- And I may get
7 the backwards. But either the Carlton permit they
8 included Badger or the Skygen they included Badger.
9 They didn't do it uniformly with all the permits.
10 But some of the permits they did take into
11 consideration proposed but not yet built
12 facilities. So I don't know why there is no --
13 why there is uniformity and why it would not be
14 done here if, in fact, it was and it was done in
15 Zion unevenly but done nonetheless.

16 MR. ROMAINE: Actually in the Zion
17 situation it was done uniformly, that facilities
18 considered projects before them that had received
19 permits. So considering that Skygen was the last
20 facility, and it was the one the permit was
21 proposed to be issued last, it had to count for the
22 facilities before it that had received permits.

23 MS. ZINGLE: But Carlton had not received
24 its permit at the time you were doing the modeling

1 for Skygen, nor had Badger.

2 MR. ROMAINE: No. But because of the
3 comment and the sequence of events and the comments
4 that were raised at the public hearing, Skygen was
5 required to go back and update its modeling to
6 address the Badger facility, which you kindly
7 pointed out to us had received a permit or was
8 about to receive a permit, and certainly would be
9 permitted based on what Wisconsin had said before
10 Skygen had received a permit.

11 MS. ZINGLE: So we are raising the same
12 issue here again. We have got application for PPO,
13 you have got application for Duke in Chicago
14 Heights. If, in fact, you are having a policy of
15 including proposed but not yet built facilities in
16 modeling, please do so every time it comes up not
17 just when we track you down and raise the issue.

18 MR. ROMAINE: We will certainly consider
19 the facilities in the state. And I would comment
20 that we probably were hoping that Skygen would
21 voluntarily raise the other facility in Wisconsin.
22 However, that did delay the project slightly as you
23 kindly brought it to our attention at the public
24 hearing.

1 MS. ZINGLE: We are hoping Skygen will go
2 away. But other than that --

3 MR. ROMAINE: I think you are hoping that
4 both of them go away.

5 MS. OWEN: I have another question for the
6 company again. Are you in AERS?

7 MR. R. TRZUPEK: I'm sorry?

8 MS. OWEN: Are you in AERS? A-R-E-S.

9 HEARING OFFICER SELTZER: Wait. Wait.

10 MR. ROMAINE: Alternate Energy Retail
11 Supplier, AERS.

12 MR. DAVIS: No. No. The project company
13 will be an exempt wholesale generator under the
14 FERC federal agency regulatory requirements that
15 allow us to sell power at wholesale.

16 MS. OWEN: I understand. Yet in your
17 application or actually I think this is probably a
18 presentation you gave -- This gentleman was kind
19 enough to lend me his copy. I had not seen this
20 before. If I can find it real fast, you claim that
21 you can -- I'm sorry. Sorry.

22 MR. GAINES: While they are looking, if
23 it's permissible, just one brief comment.

24 HEARING OFFICER SELTZER: Ms. Owens, are

1 you done?

2 MS. OWEN: No. I'm looking for something.
3 I'm sorry for the delay. I wasn't going to write
4 on this gentleman's copy, and now I can't find what
5 I was asking. I apologize.

6 HEARING OFFICER SELTZER: That's okay. We
7 will wait.

8 MS. OWEN: Yes. It says that you provide
9 competitive wholesale electricity to local
10 cooperative municipalities and utilities. However,
11 if you are not a registered AERS, you cannot sell
12 this to local municipalities.

13 MR. DAVIS: I believe perhaps a misunder-
14 standing is project company versus parent
15 companies. The parent companies do, indeed,
16 between Entergy, MCN and DTE, do, indeed, have
17 marketing arms that market various energy-related
18 product. This project company, Power Energy
19 Partners, is not a marketer. It is a wholesale, an
20 exempt wholesale electric generator.

21 MS. OWEN: So what does the statement mean
22 to you that you provide competitive wholesale
23 electricity to local cooperative municipalities and
24 utilities?

1 MR. DAVIS: We are talking about the
2 affiliate companies. I'm trying to be helpful.
3 I'm not sure where -- I'm not sure where we are
4 going with this.

5 MS. OWEN: I think this is misleading
6 because I think the people might understand that
7 they can actually purchase electricity from their
8 power plant and that is not the case.

9 MR. DAVIS: That's absolutely correct.

10 MS. OWEN: Thank you.

11 HEARING OFFICER SELTZER: What are you
12 reading from?

13 MS. OWEN: This is a presentation
14 apparently the power company gave to the Village of
15 Crete. This gentleman here had a copy, and I had
16 never seen it. So there are some questions in here
17 they were kind enough to answer.

18 There is a very simple noise study in
19 here, which I would like to ask a question on. I
20 know you didn't bring --

21 Yes. Are you, sir, over there that
22 answered my noise question before, have you seen
23 this before?

24 MR. R. TRZUPEK: I have not.

1 MS. OWEN: Okay. You guys made it and you
2 didn't show him. There is an arrow, approximately,
3 I would say at the 60 decibel level. Isn't that
4 correct about?

5 MR. DAVIS: My eyes aren't that good. I'm
6 sorry. Could you read that.

7 MS. OWEN: Oh, absolutely. You can look at
8 it. You have to give it back to me.

9 MR. DAVIS: Yes.

10 MS. OWEN: It's probably 59 but we will
11 take 60. This is the noise level you indicate 60
12 decibel for the new generating station 1,000 feet
13 away. Correct? 1,000 feet. And it says the
14 nearest neighbor is 2,000 feet. So at 1,000 feet
15 you think you can meet -- Well, I take this back.
16 Actually the EPA does not allow decibels, but you
17 know that. But just for simplicity, 1,000 feet
18 away according to this graph you can meet the night
19 noise standards.

20 MR. DAVIS: That's correct.

21 MS. OWEN: This lady lives 500 feet away.

22 MS. AMADI: 1,000. My neighbor lives 500.

23 MS. OWEN: The neighbor lives 500 feet away
24 from the facility.

1 MR. DAVIS: I believe this is really an
2 issue of semantics. If we are talking the property
3 line, indeed, it's 1,000 feet. If we are talking
4 the distance from the generator itself to the --

5 MS. OWEN: I have seen those studies
6 before, and usually this addresses the noise level
7 at the fence line.

8 HEARING OFFICER SELTZER: Let me interrupt
9 here because we are, as you know, we are far
10 afield. But let me ask you this: Do you have
11 another copy of that document, sir?

12 MR. GAINES: No, but it was commonly
13 circulated.

14 MR. DAVIS: We can provide one.

15 HEARING OFFICER SELTZER: Would you provide
16 one for the record, please.

17 MS. OWEN: I just wondered if the company
18 will provide a noise study to -- I don't know. Is
19 this facility actually in Crete, or is it still in
20 Will County?

21 HEARING OFFICER SELTZER: Okay. As to your
22 question as to whether or not the company will
23 provide you with their noise studies, that's
24 between you and the company.

1 MS. OWEN: No, but I think the people who
2 live here need the noise study to understand if
3 these noise regulations can be met. And my
4 question is actually is this facility still in
5 Will County, or has it been incorporated into
6 Crete?

7 MR. R. TRZUPEK: It has been annexed into
8 the Village of Crete.

9 MS. OWEN: You have been annexed into the
10 Village of Crete.

11 HEARING OFFICER SELTZER: You will make
12 that part of the record, sir?

13 MR. DAVIS: We will provide you a copy of
14 the record.

15 HEARING OFFICER SELTZER: You can get that
16 in the mail or when?

17 MR. DAVIS: We will get that in the mail
18 tomorrow.

19 HEARING OFFICER SELTZER: Great. Thank
20 you.

21 Sir, you had some more questions?
22 Identify yourself.

23 MR. GAINES: Thank you, sir. Robert
24 Gaines, citizen of Crete. Just one brief comment.

1 If I heard correctly in the beginning, the EPA
2 scheduled the location of this meeting?

3 HEARING OFFICER SELTZER: Yes.

4 MR. GAINES: And this is just for future
5 input and in all due respect; but if you are going
6 to have a meeting that affects the village, I would
7 encourage you to have it within the village. I
8 think it takes on great credence, not saying there
9 would have been one more person there. But it only
10 makes common sense to have it within the village
11 that it's going to effect.

12 And we have many places in the Village
13 of Crete to have it, Crete library, the Crete
14 village hall, the Crete township hall. And I
15 really think it should have been there. And I
16 would hope in the future in all communities that
17 you would, above all, EPA, and I would like to
18 direct it to them, host the meeting in the
19 hometown.

20 HEARING OFFICER SELTZER: Thank you.

21 Is there anybody else?

22 Yes, sir. Would you identify yourself
23 for the record.

24 MR. GAITSKILL: My name is John Gaitskill.

1 I apologize, I came in late and there may be -- and
2 it may be in here and I have missed them. Just a
3 couple of small points. There is a statement that
4 says "Permittee shall notify Illinois EPA within 10
5 days if the CO or NOx emissions exceed 160 tons per
6 year." How is that going to be -- Is there some
7 sort of accumulator that measures that? How will
8 that number be monitored?

9 MR. ROMAINE: Until such time as continuous
10 emission monitors are put in for NOx, emissions
11 will be tabulated by records of operating data.
12 And by that operating data it's possible to
13 calculate what the emissions of a facility have
14 been and determine whether they have, in fact, been
15 160 tons or greater.

16 MR. GAITSKILL: Would this just be straight
17 combustion calculations of natural gas?

18 MR. ROMAINE: No. It would be emission
19 factors developed from the testing that's been
20 performed.

21 MR. GAITSKILL: Will this be done every
22 hour, every day? How will this tonnage be kept
23 track of? In other words, at any point an
24 inspector or someone visits the plant, will there

1 be this cumulative tonnage that it will be compared
2 with? The statement here, it says 160 tons per
3 year. At any time a person comes in, would they
4 say, oh, it's been 50 so far or 60 so far this
5 year? How will that number be written down?

6 MR. ROMAINE: Okay. I'm just checking to
7 make sure I have got this correctly.

8 MR. GAITSKILL: I'm looking at 13a, page 10
9 of 11.

10 MR. ROMAINE: Right. The permit requires
11 that these emission records be compiled on at least
12 a monthly basis to provide these totals.

13 MR. GAITSKILL: Oh, okay. So once at the
14 end of each month then, what, so many cubic feet of
15 natural gas times some other factors and operating
16 levels or something, would that be the formula
17 that's used for the NOx?

18 MR. ROMAINE: The expectation would be
19 based on either the worst case emission factors for
20 the pollutant end use of natural gas or also
21 considering the fact that they would have to
22 account for any hours when they were operating in a
23 peak mode as well.

24 MR. GAITSKILL: So there is no specific

1 formula that the permit requires to be used, no
2 standardized process for calculating that. It will
3 be up to the operator to --

4 MR. ROMAINE: We have not specified a
5 specific equation by which it is to be calculated,
6 no.

7 MR. GAITSKILL: Another thought, a separate
8 thought, I have heard that -- I understand that
9 USEPA in siting a number when they review for
10 various projects uses what they call environmental
11 justice analysis. Does IEPA use that for -- where
12 they will take a census track and calculate the
13 percentage of low income and minority and so on
14 within certain radii of a plant? Is that sort of
15 analysis done?

16 MR. ROMAINE: It is not a type of analysis
17 that we conduct, no.

18 MR. GAITSKILL: Okay. Thank you.

19 HEARING OFFICER SELTZER: Anybody else?

20 (No response.)

21 HEARING OFFICER SELTZER: The record in
22 this matter will stay open through February 22nd of
23 this year. That means if anybody wishes to make
24 any additional comments, they can make their

1 STATE OF ILLINOIS)
) ss.
2 COUNTY OF DU PAGE)

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

Janice H. Heinemann, CSR, RDR, CRR
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