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EPA Docket Center (EPA/DC)
U.S. Environmental Protection Agency
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1200 Pennsylvania Avenue, NW.
Washington, DC 20460

NSPS Comments:
a-and-r-docket@epa.gov
Attention Docket ID
No. EPA-HQ-OAR–2011–0044

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U.S. Environmental Protection Agency
Mailcode 2822T
1200 Pennsylvania Avenue, NW.
Washington, DC 20460

NESHAP Comments:
a-and-r-docket@epa.gov
Attention Docket ID
No. EPA-HQ-OAR–2009-0234

Re: Proposed National Emissions Standards for Hazardous Air Pollutants for Electric Utility Steam Generating Units and Proposed New Source Performance Standards
Docket ID No. EPA-HQ-OAR–2011–0044 (NSPS)
Docket ID No. EPA-HQ-OAR–2009-0234 (NESHAP)

Dear Sir or Madam:

Xcel Energy Inc. ("Xcel Energy") submits these comments regarding the above-referenced proposed rule, hereinafter referred to as the electric generating unit ("EGU") Maximum Achievable Control Technology ("MACT") rule, or "EGU MACT". We have also included comments on the EGU Proposed New Source Performance Standards or "EGU NSPS."

Xcel Energy is a major U.S. electricity and natural gas company with regulated operations in eight Western and Midwestern states (Minnesota, Wisconsin, North Dakota, South Dakota, Michigan, Colorado, Texas and New Mexico). We provide a comprehensive portfolio of energy-related products and services to 3.4 million electricity customers and 1.9 million natural gas customers. Xcel Energy's generating units are capable of producing over 16,400 megawatts ("MW") of electricity, using a variety of fuel sources including coal, natural gas, oil, nuclear, renewables and hydropower. Our generating units in Colorado, Minnesota, Wisconsin and Texas are directly affected by the proposed EGU MACT and EGU NSPS Rules.

Xcel Energy has established a clear record of environmental leadership. The company is the nation's number one utility provider of wind energy, with over 3,400 MW of wind currently interconnected to our system. By 2015, the company plans to increase the wind capacity installed on our system to 5,000 MW. Xcel Energy also ranks fifth in the nation in terms of new solar capacity installed in 2010 and is a national leader in energy efficiency and conservation. We are also leading

the utility sector in reducing air emissions. In 2009, we completed a $1.3 billion program to retire, retrofit, and replace coal plants in the Twin Cities metropolitan area, and in 2010, pursuant to a state statute enacted in Colorado (the "Clean Air-Clean Jobs Act"), we plan to retire approximately 900 MW of coal generation, retrofit an additional 950 MW with emissions controls, add nearly 600 MW of new natural gas generation, and switch from coal-fired to natural gas-fired generation on an additional 462 MW.

Xcel Energy appreciates this opportunity to comment on the proposed EGU MACT and EGU NSPS Rules. In light of the company's many efforts to deploy new and more efficient clean energy technologies and to seek significant emissions reductions through comprehensive fleet transition programs, we submit the comments below to encourage the Agency to adopt a reasonable, cost-effective final rule that recognizes the significant environmental progress achieved by companies like Xcel Energy over the last decade.

EGU MACT: Comments on Program Delegation to States under Section 112(l) and State Flexibility.

In the preamble to the proposed MACT rule, EPA recognizes that some states have developed plans and implemented programs that could "*result in significant changes to the composition of the fossil-fuel-fired portion of the fleet.*" The Agency refers to programs that include coal plant retirements, additional control equipment on units, and renewable energy expansion, and cites as a specific example "*plans requiring retirement of coal and pollution control devices such as the Colorado "Clean Air-Clean Jobs Act."* EPA further - and justifiably - recognizes that compared to individual source limits pursuant to section 112(l), "*overall, some of these state programs may result in greater emission reductions.*"

The states that Xcel Energy serves have instituted a variety of programs promoting clean energy, energy savings through energy efficiency and conservation, and emission reductions through integrated, comprehensive utility plans. For instance, the Minnesota Emissions Reduction Program (MERP) completed in 2009 retired or upgraded over 900 MW of fossil fuel-fired capacity. Similarly, under the Colorado Clean Air-Clean Jobs Act (CACJA) referenced by EPA, almost 900 MW of older coal units will be retired, replaced, or refueled by the end of 2017. Minnesota and Colorado also have renewable mandates requiring 30% renewable energy by 2020 (a target second only to California), and both states have established utility-administered energy efficiency and conservation programs that are among the most aggressive in the nation. In addition to the direct reductions from comprehensive utility programs, the renewable and efficiency programs work to reduce fossil-based generation, thereby avoiding emissions of hazardous air pollutants (HAPs). Xcel Energy has invested or is committed to invest more than $4 billion on behalf of its customers in these various state programs beginning in 2004 and extending through 2020.

The overall effect of such state programs in reducing emissions can indeed be greater than the reductions prescribed under the proposed MACT limits. In Colorado, with the changes in the composition of Xcel Energy's fleet due to implementation of the CACJA, we have determined that the state will obtain substantially greater emissions reductions than the proposed MACT standard would have achieved across the same fleet of affected coal power plants. Compared to a 2010 baseline year, the year the Colorado CACJA was enacted, the resulting integrated utility plan will achieve 15% greater reduction in mercury emissions, 71% greater reduction in SO_2 emissions (a

surrogate for acid aerosols) and over twenty times greater reduction in particulate matter (the surrogate for non-mercury metals emissions) when the CACJA is fully implemented.

In its preamble, EPA also calls attention to the fact that, "The *Agency has a program pursuant to 40 CFR subpart E, whereby States can take delegation of section 112 emission standards. Among other things, States can seek approval of state rules to the extent they can demonstrate that those rules are no less stringent that the applicable section 112(d) rule."* This flexibility is based on the clear direction of Section 112(l) of the Clean Air Act, which authorizes states to seek delegation of the hazardous air pollutant program and grants states flexibility in designing their programs. Xcel Energy supports the opportunity for states to make use of this opportunity, and strongly encourages EPA to make clear in its final rule that it intends to approve state rules implementing programs that can be demonstrated to achieve reductions equal to or greater than those under section 112(d). The experience the company has acquired with state programs confirms that such flexibility can be extremely productive in achieving the intended environmental benefits with respect to hazardous air emissions. Xcel Energy's experience also demonstrates that state program flexibility provides significant benefits with respect to greenhouse gas emissions.

Finally, EPA observes in its preamble discussion that state emission reduction programs "m*ay also allow compliance timeframes for some units that extend beyond those authorized under CAA section 112(i)(3).*" Rather than viewing this possibility as a threat to the acceptability of state programs, "temporal" flexibility can be the key to obtaining greater overall benefits under delegated state authority. As section 112(l) contemplates, state programs can be more effective than one-size-fits-all EGU MACT standards because they can consider the full range of issues affecting the operation of EGUs as a system, including temporal considerations.

Xcel Energy's experience offers a constructive example. The design of the Minnesota MERP and the Colorado CACJA comprehensive emission reduction programs took into account a number of important economic and electric system reliability factors in pursuing their respective emissions targets. The programs were also developed considering such factors as the effect on customer rates, financing and cost recovery, the sequencing of unit changes with corresponding transmission system changes and upgrades, potential unplanned unit outages and operational contingencies, and the imperative of construction lead times and schedules. These factors were an important part of the overall program design and one of the reasons that the state legislatures in Minnesota and Colorado supported these emission reduction programs, as did a broad environmental constituency.

The resulting outcome of program development in both states was an integrated plan leading to total reductions beyond those now proposed in Section 112(d) source limits. However, the timetable for program implementation varied according to the specific factors relevant to each state as discussed above. Under CACJA, for example, one of the ten units involved in the adopted plan will not be affected until 2016 and two units not until 2017, while emissions from other units in the program will be reduced well in advance of the section 112 compliance timeframe, with some units affected almost immediately. The carefully-crafted structure (and the enormous environmental benefits) of the comprehensive CACJA plan would be at risk under section 112 absent some measure of temporal flexibility for compliance. Without temporal flexibility, the benefit of such comprehensive approaches for cost-effective compliance with the new EGU MACT requirements – and possibly even greater emission reductions by individual states and on the national level - could be lost. Therefore, Xcel Energy strongly encourages EPA to provide, in the final rule, opportunity for a reasonable alternate compliance schedule for specific individual units included as part of a

comprehensive section 112(l) state program, if the comprehensive approach results in overall emission reductions that are equivalent to or exceed reductions required on a unit-by-unit basis under Section 112(d).

In short, we believe the final rule should explicitly recognize the authority of states to design their own programs under the delegation provisions of section 112(l) of the Clean Air Act. Through these delegated programs, states can achieve greater emission reductions at lower cost and more effectively achieve the Act's objectives. EPA should approve state programs that, like a program based on the Colorado Clean Air-Clean Jobs Act, are no less stringent than the EGU MACT rule and enhance the environment through creative program design and flexible implementation timing.

EGU MACT: Comments on Program Design.

1. The implementation timeline is unrealistically optimistic.

Because of the acid gas provisions of the proposed EGU MACT, the rule would require the installation of flue gas desulfurization ("FGD") units across a wide range of units throughout the United States within three to four years of promulgation of the final rule. In Xcel Energy's experience, actual installation of an FGD system requires a 30 to 36 month construction period proceeded by up to 12 months for regulatory approvals and followed by up to another 24 months of multiple control equipment testing and optimization. The schedule is even longer for multi-unit plants, which, to maintain reliable service, need to complete the retrofits sequentially rather than all at once. Given the even greater challenges of installing emission controls on the entire U.S. generating fleet, the EGU MACT deadline is unrealistic. The one-year extension notwithstanding, we believe it will be difficult to complete the required FGD retrofits prior to the compliance due date. Xcel Energy encourages EPA to use the maximum opportunity provided by the Clean Air Act and Agency discretionary authority to allow reasonable time for control equipment installation.

2. The hydrogen chloride standard for coal-fired units designed for coal with heat content in excess of 8,300 BTU/lb is achievable.

Xcel Energy believes that EPA's standard of 0.0020 lb/MMBTU for hydrogen chloride ("HCl") to control acid gas emissions is achievable for most plants burning low-chlorine coal from the Powder River Basin and other western mines. The standard developed by EPA reflects a control level for acid gases that appears achievable and, based on EPA's benefits analysis, will lead to a level of emissions protective of the environment. A more stringent standard would greatly increase the cost of compliance for facilities fueled with western coal and drive up the cost of compliance for the nation's utilities with little environmental benefit.

We also support the use of an SO_2 surrogate for compliance demonstration purposes. The use of this surrogate allows facilities to demonstrate compliance with the HCl limit through periodic testing and continuous SO_2 monitoring. Additionally, we support the rule flexibility that allows facilities to develop compliance strategies not solely based on controls, but also on fuel sources and reduction of contaminants in the fuel source. This flexibility in compliance strategy allows each facility to achieve the requirements of the proposed rules in the most economical and efficient manner. (However, as further discussed below, we do not see a need to include both CEMS and fuel sampling for compliance demonstration purposes.)

3. Further sub-categorization is not necessary or appropriate.

Xcel Energy does not view further subcategorization of coals for acid gas regulatory purposes as necessary and believes that, with the exception of the lignite facilities already placed in a separate subcategory, all facilities can and should meet the same standard whether using a bituminous or subbituminous fuel. The creation of a single category for both fuel types assures that EGU owners have many different options for compliance, including retrofit with controls, fuel switching or a combination thereof. It also assures that higher emitting EGUs (the source of the greater potential environmental impact) bear an appropriately greater burden of emission reductions under the EGU MACT.

4. Emissions averaging at the plant level provides flexibility in compliance demonstration.

Xcel Energy supports the averaging of emissions to demonstrate compliance at the plant level. Averaging allows a facility greater flexibility to achieve compliance in an economical and operationally-effective manner. Averaging accommodates the variability within fuel sources and also within the operation of emission controls in place. Xcel Energy has multi-unit sites deploying both electrostatic precipitators (ESPs) and baghouses. Testing conducted at Xcel Energy facilities demonstrates that HAPs can also effectively be controlled using ESPs, and both ESPs and baghouses have proven successful for this purpose. Emissions averaging at such facilities allows optimal application of these two technologies in controlling plant-wide emissions.

5. EPA should apply emission limits on a 12-month rolling average basis.

For single units that are not part of a multi-unit plant's averaging plan, the averaging period for the relevant standard is highly important in dealing with non-steady state operations, including start-up, shutdown, malfunctions, and load-following operations. Emissions during these events are not representative of steady-state operations and should either be excluded from the compliance determination, or the averaging period should be lengthened from a 30-day average to a 12-month rolling average, calculated monthly. One example of the practical importance of a longer averaging period is presented below.

In 2007, Xcel Energy upgraded the Allen S. King Generating ("King") Plant, a single unit plant located in Oak Park Heights, Minnesota. This upgrade included the installation of new pollution control equipment, modification of the plant heat rejection system, and improvements to the boiler. The new control equipment consisted of a selective catalytic reduction (SCR) reactor for NOx control, a spray dryer absorber lime-based, semi-dry flue gas desulfurization (FGD) system for SO_2 control, and a pulse-jet cleaned fabric filter for additional PM control. The cyclone-fired boiler burns subbituminous coal and is considered to have best demonstrated technology ("BDT") equipment installed.

The King Plant's SCR and FGD systems require specific flue gas temperatures and the boiler to be at specific steam pressures in order to operate properly. Given this, King can not operate the SCR and FGD during periods of startup when flue gas temperatures and steam pressures are lower than required. The plant's current permit limits require compliance based on lb/MMbtu of SO_2 and NOx using a 30-day rolling average, and our experience provides strong evidence of the difficulty many units will have in meeting emission limits using that averaging approach. At King, we have

found that permit limits can be met if there is only a single start-up within a given 30-day period, but additional start-ups significantly jeopardize compliance for both SO_2 and NOx. It is not uncommon for King and other similar units to experience more than one start-up within 30 days in cases of forced outages and even planned maintenance. It is unrealistic and unreasonable to require compliance with the proposed mercury, HCl, and PM limits on a 30-day rolling average basis.

Compliance based on a 12-month rolling average for all pollutants addressed by the MACT rule will provide practical flexibility to accommodate real-world operating conditions. A shorter averaging period is insufficient from an operational standpoint to account for emissions during start-ups and shut-downs, and we see no justification in the proposal for a more restrictive requirement.

6. The inspection and tune-up provisions of the work practice standard need revision to be meaningful and effective in ensuring good combustion.

Xcel Energy generally supports the comments submitted by the Edison Electric Institute (EEI) and the Class of 85 and offers the following specific comments:

a. Inspections

Xcel Energy believes the inspection frequency of 12-18 months is inconsistent with common operating practices. Xcel Energy uses a three-year outage cycle, meaning outages can be as much as 39 months apart. While smaller, shorter outages do occur more frequently, they are not of a duration that would allow the type of inspection required by this proposed rule. Furthermore, burner inspections and repairs typically take five to 15 days and are much more effective when done from boiler scaffolding. The cost of constructing boiler scaffolding is on the order of $100,000 per event. In addition, we are unable to ascertain whether EPA has included outage cost and replacement power costs in the economic evaluation justifying the work practice requirement. Replacement power costs to our customers can be substantial for extended outages like these and can run into millions of dollars over the duration of a five to 15-day outage. Based on the above considerations, Xcel Energy proposes an inspection frequency of every 3 - 5 years instead of annually to correspond with reasonable outage schedules.

b. Tune-Ups

With regard to performance tune-ups, we believe that a requirement for annual, off-line tune-ups is excessive and unnecessary. Many units in operation today are equipped with advanced neural networks and/or digital control systems that allow for on-line tuning to optimize the combustion process without the need for physical burner inspections as proposed by EPA. These systems do benefit from periodic off-line maintenance; however the frequency of off-line maintenance should be on the order of every 3 to 5 years instead of annually. We urge EPA to change the tune-up requirements from annual, off-line tune-ups to annual on-line tune-ups with off-line tune-ups and burner inspections occurring every 3 to 5 years.

EPA has specified that facilities must adjust burners and optimize total emissions of CO and NOx by being consistent with manufacturer's specifications, if available. Strict compliance with these requirements could produce more emissions than current burner and combustion air settings developed through actual operating experience. EPA should modify this language to allow facilities to use operational experience to adjust burners and optimize emissions rather than being limited to

only manufacturer's specifications, which do not reflect changes in fuel quality and the condition of the burners at the time of the combustion tuning.

The requirement to measure concentrations of CO and NOx in the effluent stream before and after adjustments is consistent with current industry practice. However, we request clarification that this requirement can be satisfied with portable monitoring equipment. Industry practice is to use portable analyzers located at the boiler outlet duct to measure CO and NOx during combustion tuning operations.

7. We oppose the operating limits proposed in Tables 4, 7, and 8.

a. EPA's stringent emission limits coupled with stringent monitoring and testing requirements eliminate the need for the proposed operating limits.

In the EGU MACT, EPA has proposed additional operating limits on top of the stringent emission limits for total particulate matter ("TPM"), mercury, and HCl. These additional operating limits are unnecessary, burdensome and duplicative of other requirements. First, through these limits, EPA appears to be codifying Compliance Assurance Monitoring ("CAM") requirements already required by the Title V permitting process. The development of CAM plans in Title V permits is an established process that is working well; these additional operating requirements will be at best unnecessary and at worst interfere with effective, well-established state Title V permitting procedures. Second, in setting operating limits, EPA unreasonably extends its authority beyond establishing the appropriate emission standard to governing the way a company operates a unit to meet the standard. Third, the limits for the prescribed operating parameters (scrubber pH, etc.) and averaging method used to demonstrate compliance with those limits create a secondary and overlapping regulatory obligation likely to result in excessive control process cost and material waste.

These secondary operating requirements also create a "double jeopardy" compliance risk: as long as the EGU MACT includes these limits, a unit could be in compliance with the underlying emission standard (and therefore protecting the environment) but find itself out of compliance with a related operating limit. The environment is not served by such a situation, and we encourage EPA to give full consideration to more detailed comments submitted by EEI and Class of 85 on this topic.

b. Operating limits make it difficult to bring additional renewable resources on-line.

The operating limits, of course, will restrict how units operate on an on-going basis. If a plant wishes to operate at different load conditions, it will have to test at multiple loads and develop an operating strategy including multiple process setpoints for control equipment applicable to the various load ranges. This will make changing loads more difficult from a compliance maintenance perspective. Yet, as the nation's number one retail wind energy provider, Xcel Energy has found that the ability of its coal generating units to change load quickly and efficiently is critical in accommodating variable wind energy. Depending on the circumstance, utilities like Xcel Energy with a large intermittent renewable portfolio may need to use their traditionally base-loaded facilities as load-following units in order accommodate variable wind energy output. Creating a new layer of operating limits - on top of the MACT standards themselves - further complicates coal plant operability and makes it more difficult to bring variable renewable resources on-line. Xcel Energy is very concerned about the adverse effect on grid integration due to such additional plant operating

constraints at the same time the company is supporting significant renewable energy penetration on its system.

8. Dry Sorbent Injection Capability

Dry sorbent injection ("DSI") has been a control option for SO_2 for several decades. DSI has proven SO_2 removal capabilities, and recent work cited by EPA in the docket has shown its ability to control acid gases. However, EPA's SO_2 removal expectation is generally higher than our experience with DSI.

Xcel Energy has over 20 years of direct experience operating DSI systems for SO_2 removal at our Cherokee and Arapahoe plants in Denver, Colorado. After significant testing and operational experience, we have found DSI capable of removing from 20% to as much as 70%, but the effectiveness is highly dependent on the individual unit. We have reviewed data from tests at these plants along with technical publications to estimate the potential SO_2 removal of DSI at other coal-fired power plants. Our best estimate is that, on average, perhaps between 40 and 50 percent effective SO_2 removal would be achievable on a typical 500 MW coal unit.

9. The proposed MACT for new plants appear to be based on a hypothetical, not a real plant.

Xcel Energy agrees with comments from EEI and the Class of 85 in that EPA appears to have chosen the best performing elements from among a group of plants, that these new source MACT limits have not been achieved in practice by any single unit, and that, as a result, it is unreasonable to expect a given new unit to meet these standards.

10. The new source mercury MACT limit is unrealistic.

Xcel Energy wishes to echo EEI's argument that the new source mercury limit is below the detection limit of any current or planned instrument, and even if a new unit could meet the limit, there is no way to assess compliance. EPA's proposed new source limit for mercury would act to ban the construction of new coal plants. There is nothing in the Clean Air Act that authorizes or mandates this result, and it has significant implications for the long-term energy security of the nation. EPA should not be setting national energy policy through a Clean Air Act rulemaking.

11. The Low Emitting EGU ("LEE") standard for mercury is too restrictive.

The LEE standard for mercury (10 percent of the MACT standard) is low and impractical. The proposed limit of 0.12 lb/TBtu is near or below the in-stack method detection limit, and it will be very difficult to confidently prove compliance under any testing regimen. The LEE standards for other HAPs are 50% of the MACT standard. While Xcel Energy understands the heightened focus on mercury, EPA has not sufficiently demonstrated the need for a LEE standard threshold less than that for other HAPs, and we therefore propose a consistent LEE mercury standard of 50% of the mercury MACT standard (or 0.06 lb/TBtu).

12. The PM standard should be established on the basis of filterable and not total PM.

Xcel Energy agrees with the concerns raised by EEI and Class of 85 regarding a limit based on total PM, including the related monitoring issues further discussed below, and we therefore encourage EPA to adopt a standard based on filterable PM.

13. Monitoring requirements proposed to prove continuous compliance are excessive, overly complex, and sometimes unworkable.

a. SO_2 and HCl monitoring

EPA has proposed that if a source is using SO_2 as a surrogate for HCl emissions, the SO_2 CEMS is subject to increased quality assurance / quality control ("QA/QC") requirements which include:

1) 7 day calibration error test regardless if span is less than 50 ppm or not.
2) Linearity required regardless if span is less than 30 ppm or not.
3) Initial and quarterly linearity's must include an additional injection level (4^{th}) at a concentration equivalent to the applicable emission limit.

Each of these requirements goes well beyond what EPA has previously required in either the 40 CFR parts 60 or 75 monitoring requirements. In its rule proposal, EPA does not provide adequate justification for increasing the QA/QC requirements for the SO_2 monitor above what Part 75 requires for the case where a source would use SO_2 as a surrogate for HCl CEMS. The addition of the 4^{th} linearity calibration injection standard in particular is overly burdensome to industry.

The proposed rule also specifies the use of an FTIR CEMS via Performance Specification 15 for monitoring HCl emissions. Xcel Energy agrees with EEI's comments regarding the insufficiency of existing HCl CEMS technology. If appropriate technology advance occurs (including the availability of a protocol gas), and if a source intends to demonstrate HCl compliance via an HCl CEMS, EPA should allow at least a one year CEMS implementation period to install and certify the CEMS. In this case, initial compliance should be shown via a performance test and the continuous monitoring would commence one year later. In the absence of such technological advancement, however, EPA should allow companies to undertake annual HCl performance tests to demonstrate compliance.

b. PM monitoring

Xcel Energy supports EEI's contention that the PM compliance approach proposed by EPA is unworkable and inconsistent with Performance Specification 11, and that the heart of the problem lies in the application of a total PM rather than a filterable PM limit. We offer the following further observations:

EPA proposes that if a source uses a PM CEMS as a surrogate for non-mercury HAP metals, the front half (using Reference Method 5) component of the three run initial performance test establishes the PM limit. EPA stipulates that the PM CEMS would then have to demonstrate compliance with that the tested average PM value using a 30 boiler-operating-day PM average. Xcel Energy believes this approach is unreasonable. If the initial non-mercury HAP metals testing shows compliance with the proposed limit and the contemporaneous PM CEMS data shows similar

compliance with the proposed limit, then the CEMS provides adequate demonstration that the non-mercury HAP metals limit is being met.

EPA also proposes the need for PM testing at varying particulate matter loads in order to certify a CEMS in accordance with Performance Specification 11. We have real concerns regarding the feasibility of certifying a PM CEMS at the three load (PM concentration) levels required. Given the low PM concentrations and the PM control technologies implemented, it is not practical to vary the particulate loading at the required three load points. It also may not be practical to perform correlation testing over the maximum range of PM concentrations. It is sufficient to conduct PM correlation testing at the maximum operating condition and at a zero reference point.

c. Mercury monitoring

The mercury monitoring requirements for existing units under the proposed EGU MACT appear consistent with what was to be implemented under the Clean Air Mercury Rule. While technology needs refinement in areas such as the system integrity check, we are optimistic industry vendors will make the necessary improvements. We would point out, however, that low end resolution continues to be a concern, and a NIST traceable standard closer to the expected concentration of 1.0 μg/scm needs to be developed.

14. The proposed fuel sampling requirements are excessive and unnecessary.

Xcel Energy opposes the fuel supply sampling required by the proposed rule and believes fuel input limits are not necessary if the facility is meeting the specified emission limits as demonstrated through use of CEMS. We agree with the position of EEI and the Class of 85 that if an EGU elects direct (CEMS) monitoring of a regulated HAP or its surrogate, then fuel sampling, parameter monitoring, etc. should not also be required in the final rule.

15. We support EPA's approach to reporting emissions under the proposed rule.

Reporting for PM, HCl and mercury under the EGU MACT will be handled through the Emissions Collection and Monitoring Plan System ("ECMPS") consistent with how emissions are currently reported under Part 75. EPA is requesting comment on the proposed compliance approaches and on whether the proposed "one stop shopping" approach to reporting MACT compliance information is desirable.

We agree with this approach, as it will simplify the reporting configuration with facility Data Acquisition and Handling Systems ("DAHS"), and data QA procedures currently implemented to accommodate Part 75 XML EDR reporting. We also agree with the approach to disable the bias adjustment test associated with the PM, HCl, and mercury CEMS.

16. The rule should not impose duplicative compliance demonstrations.

EGUs that do not choose to use a surrogate and that can demonstrate compliance with the relevant HAP limit (or LEE) should not also be required to test for or demonstrate compliance with the surrogate.

EGU NSPS Comments.

Despite our company's commitment to clean energy resources, Xcel Energy believes that, to be economically-viable and secure, our nation's energy future must also continue to rely on a diverse mix of energy resources, including coal. For this reason, the EGU NSPS and the previously noted new source mercury MACT present a special concern. As further discussed below, we believe the EGU NSPS limits are especially tight and, coupled with the new source mercury MACT requirements, would interfere with industry's ability to add new base-load coal capacity. Our experience with clean energy initiatives in our states (especially in Colorado, where we have added a new supercritical coal unit while significantly reducing our overall system emissions) demonstrates that utilities can achieve remarkable emission reductions and environmental improvements while still leaving a place for efficient new coal-fired generation. EPA should revisit the proposed NSPS requirements with the nation's energy interests as well as environmental interests in mind.

1. The NOx limit is unrealistic.

EPA specifically requested comments on the NOx numerical limit of 88 ng/J (0.70 lb/MWh). EPA also considered the range of 76 to 110 ng/J (0.60 to 0.90 lb/MWh) for new, modified, and reconstructed EGUs and requested comment.

Xcel Energy believes the proposed NOx limit of 88 ng/J (0.70 lb/MWh) is too restrictive for new plants. As described earlier, in 2007 Xcel Energy rehabilitated the Allen S. King Generating ("King") Plant and installed a variety of state-of-the-art control equipment considered best demonstrated technology, including an SCR. The King Plant has been operating with an annual NOx emission rate of 38.7 ng/J or 0.78 lbs/gross-MWh, which is still in excess of the proposed limit. On this basis, we believe it would be extremely difficult for a new, modified, or reconstructed EGU to meet the current proposed limits. If EPA chooses to adopt a numerical NOx limit instead of a combined NOx and CO limit, we urge EPA to set the NOx limit at the upper end of the range proposed in the preamble, 0.90 lb/gross-MWh, to accommodate the many different units subject to the rule.

2. Combined NOx and CO limit.

EPA also requested comment on a combined NOx and CO limit of 230 ng/J (1.8 lb/MWh) for modified EGUs and is considering a limit range of 180 to 230 ng/J (1.4 to 1.8 lb/MWh)

Of the two NOx-relevant standards considered in this rule under NSPS, Xcel Energy favors the proposed combined NOx and CO limit over the NOx-only limit. We believe the combined NOx and CO limitation gives an EGU greater flexibility when attempting to operate at its maximum efficiency - which in turn may reduce other emissions not necessarily included in the MACT proposal. Should the EGU not be bound by a NOx-only limit, related benefits could include decreased ammonia slip from an SCR, more complete combustion that also decreases PM and CO emissions, and more operator focus on CO.

We are concerned, however, that EPA has not adequately addressed startup and shutdown emissions when proposing the combined NOx and CO limitation. In our experience, CO emissions can be significantly higher during startup and shutdown than in normal operation. Under these

circumstances, we would encourage EPA to set the limit towards the upper end of the range proposed in the preamble, 1.8 lbs/gross-MWh. We also reiterate our earlier comment that EPA should determine compliance based on a 12-month rolling average, calculated monthly.

3. Use of gross load versus net load.

EPA specifically requested comments regarding the use of gross load to determine compliance. Depending on the age, size, and location of the facility, as well as the emissions control equipment installed, the auxiliary power used can be significant. We therefore agree with EPA's approach to use gross load to determine compliance instead of net load.

Thank you for the opportunity to provide comments on the proposed EGU MACT and EGU NSPS rule. Please contact Rick Rosvold at 612-330-7879 regarding any questions.

Sincerely yours,

Frank Prager, Vice President
Environmental Policy & Services
Xcel Energy Inc.