

**FORM FOR PETITIONING THE STATE ENVIRONMENTAL COMMISSION FOR
ADOPTION, FILING AMENDMENTS OR REPEAL OF COMMISSION REGULATIONS**

1. Nevada Division of Environmental Protection
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2. The Nevada Division of Environmental Protection (NDEP) is a division of the Nevada Department of Conservation and Natural Resources of the State of Nevada. The NDEP is an environmental regulatory agency.
3. Nevada Revised Statutes (NRS) 445B.210 establishes the authority of the State Environmental Commission (SEC) to adopt regulations to prevent, abate and control air pollution. NRS 445B.300 establishes specific authority of the SEC regarding operating permit requirements for sources of air contaminants.

SPECIFIC CHANGES:

The NDEP is proposing to amend NAC 445B.001 to 445B.3497 by adding a new program to control air emissions of mercury from coal-fired electric utility steam generating units (EGUs). This action is in response to a federal requirement for states to control annual mercury emissions from coal-fired power plants.

In May 2005, the U.S. Environmental Protection Agency (EPA) issued the Clean Air Mercury Rule (CAMR). Under CAMR each state received an annual budget for mercury emissions from coal-fired EGUs; a nationwide cap was set as well. Nevada was allocated a budget of 570 pounds of mercury per year from 2010 to 2017. From 2018 on, Nevada's budget is 224 pounds per year.

The program developed by the State of Nevada proposes to modify the EPA "Cap and Trade" program from CAMR and tailor it to the unique needs of the state. The Nevada CAMR Program will require power plants with coal-fired EGUs to obtain a mercury operating permit to construct. Through the permitting process, NDEP will allocate annual mercury emission allowances to existing power plants based on projected actual emissions, beginning in 2010. Remaining annual allowances from the state budget will be maintained in a pool to be administered by NDEP. The pool

will be used for new power plants, for incentive programs and by NDEP to support program needs or allowances may be retired. The major objective of Nevada's CAMR Program is to encourage mercury reductions at existing facilities and encourage new facilities to install "Low Emitting Units" or "Integrated Gasification Combined Cycle" units. This is accomplished by offering bonus emission allowances to facilities that install equipment or systems that reduce emissions below their allowance.

4. **NEED FOR AND PURPOSE:** These amendments are necessary to comply with the federal Clean Air Mercury Rule, which requires states to submit a State Plan to control mercury emissions from coal-fired power plants by November 17, 2006. The amendments establish a program to regulate emissions of mercury from existing and new coal-fired electric generating units in Nevada.
5. **ECONOMIC EFFECTS:**
 - (a) (a) Regulated Business/Industry. The new regulation will have an economic impact on new and existing coal-fired electric utility steam generating units (EGUs) at power plants in Nevada. Power plants with coal-fired EGUs will be required to install and operate continuous emissions monitoring systems, and if their EGUs do not meet their mercury emission allowance, they may be required to put on additional controls. These companies will also be subject to the Nevada CAMR permitting program and applicable fees.
 - (b) Public. These proposed amendments may have an economic effect on electricity customers if the affected industry elects to pass on the costs of monitoring and additional emissions control equipment/systems.
 - (c) Enforcing Agency. The agency will need to hire two additional staff to implement the NV CAMR program and purchase one vehicle.
6. The proposed regulations do not overlap or duplicate any regulations of other state or government agencies.
7. The proposed regulations are no more stringent than what is established by federal law.
8. The proposed amendments do address fees: The fee for a new or revised CAMR operating permit to construct is \$2000; an annual maintenance fee will also be assessed for each coal-fired EGU. Any fees collected will be used to support the program.