



General Assembly

February Session, 2002

Amendment

LCO No. 3890

HB0520903890HDO

Offered by:

REP. CARUSO, 126th Dist.
REP. O'ROURKE, 32nd Dist.
REP. MEGNA, 97th Dist.
REP. URBAN, 43rd Dist.
SEN. WILLIAMS, 29th Dist.

To: Subst. House Bill No. 5209

File No. 206

Cal. No. 133

**"AN ACT CONCERNING REDUCING SULFUR DIOXIDE
EMISSIONS AT POWER PLANTS."**

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. (NEW) (*Effective January 1, 2005*) For purposes of this
4 section, section 2 of this act and subsection (a) of section 16-245l of the
5 general statutes, as amended by this act:

6 (1) "Affected unit" means any emissions unit subject to the
7 provisions of the Post-2002 Nitrogen Oxides Budget Program, as
8 described in the regulations adopted under section 22a-174 of the
9 general statutes.

10 (2) "Average emissions rate" means a determination of the rate of

11 SO₂ emissions, measured in pounds of SO₂ per MMBtu, in any
12 calendar quarter from either a single affected unit or from two or more
13 affected units. Average emissions rate for a single unit is calculated by
14 dividing the total quarterly SO₂ emissions, in pounds, from such unit
15 by the total quarterly heat input, in MMBtu, for such unit. Average
16 emissions rate for two or more units is calculated by dividing the total
17 quarterly SO₂ emissions, in pounds, from all such units by the total
18 quarterly heat input, in MMBtu, for all such units.

19 (3) "Calendar quarter" means the period of January first to March
20 thirty-first, inclusive, April first to June thirtieth, inclusive, July first to
21 September thirtieth, inclusive, or October first to December thirty-first,
22 inclusive.

23 (4) "MMBtu" means million BTU of heat input.

24 (5) "Sulfur dioxide" or "SO₂" means a gas that at standard conditions
25 has the molecular form SO₂.

26 (6) "Sulfur Dioxide Discrete Emission Reduction Credit" or "SO₂
27 DERC" means the reduction of one ton of sulfur dioxide at a stationary
28 source during the generation period, which the commissioner has
29 certified in writing as real, quantifiable, surplus, permanent and
30 enforceable. Early reduction credits shall qualify as SO₂ DERCs.

31 (7) "Early reduction credit" means a reduction of SO₂ during
32 calendar years 1999, 2000, 2001 or 2002 below the most stringent SO₂
33 emission rate applicable to an affected unit.

34 (8) "Title IV SO₂ allowance" or "SO₂ allowance" means an
35 authorization allocated to a Title IV source by the Administrator,
36 pursuant to Title IV of the federal Clean Air Act, 42 USC 7651d et seq.
37 and 40 CFR 72, 73, to emit up to one ton of SO₂ during or after a
38 specified calendar year.

39 (9) "Title IV source" means an affected unit that is also subject to
40 Phase II of the acid rain control requirements set forth in Title IV of the

41 federal Clean Air Act, 42 USC 7651d et seq.

42 Sec. 2. (NEW) (*Effective January 1, 2005*) (a) On and after January 1,
43 2005, the owner or operator of a Title IV source that is also an affected
44 unit or units shall:

45 (1) Combust liquid fuel, gaseous fuel, solid fuel or a combination of
46 each provided that each fuel possesses a fuel sulfur limit of equal to or
47 less than 0.3 per cent sulfur, by weight (dry basis); or

48 (2) Meet an average emission rate of equal to or less than 0.33
49 pounds SO₂ per MMBtu for each calendar quarter for an affected unit
50 at the premises; or

51 (3) Meet an average emission rate of equal to or less than 0.3 pounds
52 SO₂ per MMBtu calculated for each calendar quarter, if such owner or
53 operator averages the emissions from two or more affected units at the
54 premises.

55 (b) On and after January 1, 2005, no owner or operator of a Title IV
56 source that is also an affected unit or units may use SO₂ DERCs or SO₂
57 allowances to comply with the requirements of subsection (a) of this
58 section except if the Commissioner of Environmental Protection
59 requires the owner or operator of an affected unit or units using a low-
60 sulfur fuel to comply with subdivision (1) of subsection (a) of this
61 section to offset excess SO₂ emissions that were emitted during a
62 suspension period, as described in subsection (c) of this section,
63 through the purchase or retirement of such SO₂ DERCs or SO₂
64 allowances.

65 (c) The Commissioner of Environmental Protection may suspend
66 the requirements of subdivision (1) of subsection (a) of this section for
67 the owner or operator of any affected unit using a low-sulfur fuel,
68 including a low-sulfur solid fuel. Such suspension shall be made only
69 when the commissioner finds that the availability of fuel that complies
70 with such requirements is inadequate to meet the needs of residential,
71 commercial and industrial users in this state and that such inadequate

72 supply constitutes an emergency, provided such suspension shall not
73 exceed the period that the inadequate supply constitutes an
74 emergency. Any such suspension by the commissioner shall not
75 suspend or alter the sulfur dioxide average emission rate requirements
76 that are in effect as of the date of passage of this act. The Commissioner
77 of Environmental Protection shall specify in writing the period of time
78 that such suspension shall be in effect and shall provide notice of such
79 suspension to the joint standing committees of the General Assembly
80 having cognizance of matters relating to the environment and energy
81 and technology. No later than thirty days after the termination of such
82 suspension, the owner or operator of an affected unit or units shall
83 report to the commissioner, in writing, the amount of SO₂ emissions in
84 excess of those that would have occurred if the use of compliant fuel at
85 such affected unit or units had not been interrupted. If such excess SO₂
86 emissions from any premises exceed fifty tons, the commissioner shall
87 require that the owner or operator of such affected unit or units offset
88 such SO₂ emissions through the purchase or retirement of SO₂ DERCS
89 or SO₂ allowances.

90 (d) The provisions of subsections (c) and (f) of this section, when
91 implemented by the Commissioner of Environmental Protection, shall
92 not suspend any underlying procedures or requirements in the
93 Regulations of Connecticut State Agencies adopted by the Department
94 of Environmental Protection pertaining to SO₂ emissions.

95 (e) No provision of section 1 of this act, this section or subsection (a)
96 of section 16-2451 of the general statutes, as amended by this act, shall
97 be construed to prohibit the Commissioner of Environmental
98 Protection from waiving or suspending any applicable sulfur dioxide
99 emissions standard as may be allowed under current federal or state
100 laws or regulations, or other permit limits of a must run Title IV
101 source, as ordered by the Independent System Operator, as may be
102 allowed under current federal or state laws or regulations. The
103 commissioner may attach any conditions to such suspension or waiver,
104 as the commissioner deems necessary to mitigate any adverse
105 environmental or public health impacts.

106 (f) The Commissioner of Environmental Protection, in consultation
107 with the chairman of the Public Utilities Control Authority, may
108 suspend the prohibition of subsection (b) of this section for a Title IV
109 source if it is determined that the application of the prohibition
110 established under subsection (b) of this section adversely affects the
111 ability to meet the reliability standards, as defined by the New
112 England Power Pool or its successor organization, and the suspension
113 thereof is intended to mitigate such reliability problems. The
114 Commissioner of Environmental Protection, in consultation with the
115 chairman of the Public Utilities Control Authority, shall specify in
116 writing the reasons for such suspension and the period of time that
117 such suspension shall be in effect and shall provide notice of such
118 suspension at the time of issuance, or the next business day, to the joint
119 standing committees of the General Assembly having cognizance of
120 matters relating to the environment and energy and technology. No
121 such waiver shall last more than thirty days. The commissioner may
122 reissue additional waivers for such source after said initial waiver has
123 expired. Within ten days of receipt of the commissioner's notice of
124 suspension, the committees having cognizance of matters relating to
125 the environment and energy and technology may hold a joint public
126 hearing and meeting of the committees to either modify or reject the
127 commissioner's suspension by a majority vote. If the committees do
128 not meet, the commissioner's suspension shall be deemed approved.

129 Sec. 3. Subsection (a) of section 16-245l of the general statutes is
130 repealed and the following is substituted in lieu thereof (*Effective*
131 *January 1, 2004*)

132 (a) The Department of Public Utility Control shall establish and each
133 electric distribution company shall collect a systems benefits charge to
134 be imposed against all end use customers of each electric distribution
135 company beginning January 1, 2000. The department shall hold a
136 hearing that shall be conducted as a contested case in accordance with
137 chapter 54 to establish the amount of the systems benefits charge. The
138 department may revise the systems benefits charge or any element of
139 said charge as the need arises. The systems benefits charge shall be

140 used to fund (1) the expenses of the public education outreach
141 program developed under subsection (a) of section 16-244d other than
142 expenses for department staff, (2) the reasonable and proper expenses
143 of the education outreach consultant pursuant to subsection (d) of
144 section 16-244d, as amended, (3) the cost of hardship protection
145 measures under sections 16-262c and 16-262d and other hardship
146 protections, including but not limited to, electric service bill payment
147 programs, funding and technical support for energy assistance, fuel
148 bank and weatherization programs and weatherization services, (4) the
149 payment program to offset tax losses described in section 12-94d, as
150 amended, (5) any sums paid to a resource recovery authority pursuant
151 to subsection (b) of section 16-243e, (6) low income conservation
152 programs approved by the Department of Public Utility Control, (7)
153 displaced worker protection costs, (8) unfunded storage and disposal
154 costs for spent nuclear fuel generated before January 1, 2000, approved
155 by the appropriate regulatory agencies, (9) postretirement safe
156 shutdown and site protection costs that are incurred in preparation for
157 decommissioning, (10) decommissioning fund contributions, and (11)
158 legal, appraisal and purchase costs of a conservation or land use
159 restriction and other related costs as the department in its discretion
160 deems appropriate, incurred by a municipality on or before January 1,
161 2000, to ensure the environmental, recreational and scenic preservation
162 of any reservoir located within this state created by a pump storage
163 hydroelectric generating facility. As used in this subsection, "displaced
164 worker protection costs" means the reasonable costs incurred, prior to
165 January 1, [2006] 2008, by an electric supplier, exempt wholesale
166 generator, electric company or a generation entity or affiliate arising
167 from the dislocation of any employee other than an officer, provided
168 such dislocation is a result of restructuring of (A) the electric
169 generation market and such dislocation occurs on or after July 1, 1998,
170 or (B) the closing of a Title IV source or an exempt wholesale
171 generator, as defined in 15 USC 79z-5a, on or after January 1, 2004, as a
172 result of such source's failure to meet requirements imposed as a result
173 of sections 1 and 2 of this act and this section or those Regulations of
174 Connecticut State Agencies adopted by the Department of

175 Environmental Protection, as amended from time to time, in
176 accordance with Executive Order Number 19, issued on May 17, 2000;
177 and provided further such costs result from either the execution of
178 agreements reached through collective bargaining for union
179 employees or from the company's or entity's or affiliate's programs
180 and policies for nonunion employees. "Displaced worker protection
181 costs" includes costs incurred or projected for severance, retraining,
182 early retirement, outplacement and related expenses. "Displaced
183 worker protection costs" does not include those costs included in
184 determining a tax credit pursuant to section 12-217bb."

This act shall take effect as follows:	
Section 1	<i>January 1, 2005</i>
Sec. 2	<i>January 1, 2005</i>
Sec. 3	<i>January 1, 2004</i>