

New Air Quality Regulations

Presentation to the
Gainesville City Commission

By
Gainesville Regional Utilities
April 25, 2005



TIMELINE

DATE	DETAILS
2002	Initial discussions of potential SO ₂ , NO _x , & Mercury legislation
Dec 2003	Published IRP, considered potential legislation and regulations
Sept 2004	City Commission presentation on potential legislation and regulations
March 2005	Final EPA rules published, "Cap and Trade"
2009	Phase I requirements for NO _x must be met
2010	Phase I requirements for SO ₂ and Mercury must be met
2015	Phase II requirements for SO ₂ and NO _x must be met
2018	Phase II requirements for Mercury must be met

Options to Meet New Requirements

- Retrofit Deerhaven 2 (increases costs and decreases capacity)
- Deerhaven 2 Fuel Conversion to burn Natural Gas rather than Coal (high fuel cost and larger decreases in capacity)
- Purchase Emission Credits (increases in cost, no local emission reductions and no decrease in capacity)

Staff Preliminary Recommendation

- **Retrofit of Deerhaven 2**
 - Selective Catalytic Reduction (SCR) for NO_x by January 1, 2009
 - Scrubber for SO_2 by January 1, 2010

SOLID FUEL GENERATION IN QUEUE

COMPANY	IN SERVICE	MW
Orlando/Southern Co. (IGCC)	2011	285
Florida Power & Light (SC)	2011	850
	2012/13	850
Seminole Electric Cooperative (SC)	May 2012	750
Public Power Partnership Project (SC)	2011	600+

IGCC: Integrated Gasification Combined Cycle, SC: Supercritical Pulverized Coal

Timing of Retrofit to Meet Requirements

- Global demand for SCRs and Scrubbers for retrofits and new units could cause delays
- Issuance of an RFP for Deerhaven 2 emissions retrofit
 - begin by August 2005

Staff Recommendation

The City Commission change the May 12 Workshop to Special City Commission meeting to provide staff with:

- Direction regarding an independent project review
- Direction regarding new regulatory requirements for SO₂, NO_x, & Mercury