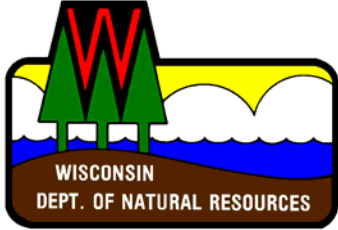


# **Clean Air Interstate Rule Update**

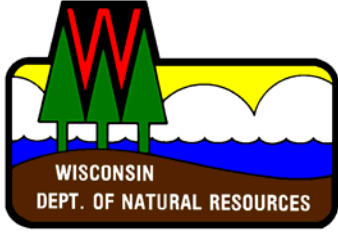
**Clean Air Act Task Force Meeting  
December 15, 2006**



## *CAIR Timeline*

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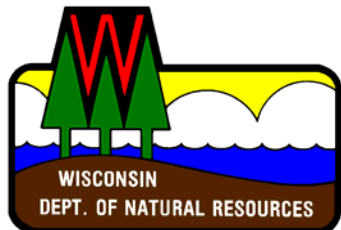
Public hearings	10/10/06 10/12/06
Public comment period ended	10/23/06
Rule to Natural Resource Board for adoption	1/24/07
Expedited legislative review	2/07
Abbreviated SIP due to EPA	3/31/07
State NO <sub>x</sub> allocations due to EPA	4/30/07
CAIR SIP approved by EPA	Prior to 9/30/07



## *Comments Received*

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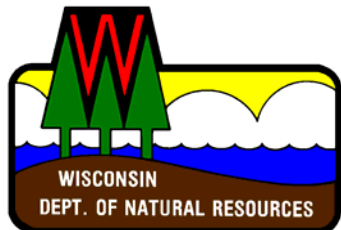
- ◆ Received comments in support and in opposition to the proposed rule.
- ◆ Received comments from 22 individuals and groups:
  - Utilities
  - Stakeholder groups: WMC, WIEG, WPC and WUA
  - Environmental groups: Clean Wisconsin, Sierra Club, and RENEW Wisconsin
  - Renewable energy groups: Business Council for Sustainable Energy and American Wind Energy Assoc.
  - Citizens



## *Summary of Comments*

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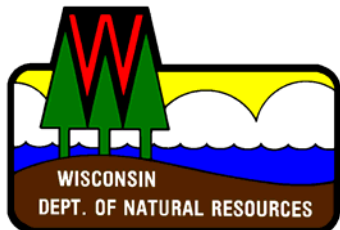
- ◆ Received comments both in favor of and opposed to proposed rule structure including output based allocations, elimination of fuel weighting and updating baselines.
- ◆ Received comments both in favor of and opposed to including renewable units in the allocation structure.
- ◆ Should have consistency between state and federal rules.
- ◆ Should not have a stricter standard than the federal rule.
- ◆ Proposed rule is an attempt to drive energy policy.
- ◆ Proposed rule is an attempt to address 8-hour ozone attainment issues.



## *Comments – Proposed Changes*

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- ◆ Adopt the federal structure of CAIR.
- ◆ Allow new renewable units to receive allocations from the new unit set-aside.
- ◆ Allow existing renewable units to receive allowances.
- ◆ Include a renewable energy/ energy efficiency set-aside.
- ◆ Bank unused new unit set-aside allowances for future use.
- ◆ Auction allowances.
- ◆ Include opt-ins.

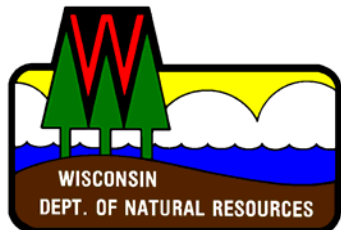


## *Comments – Proposed Changes*

### *(continued)*

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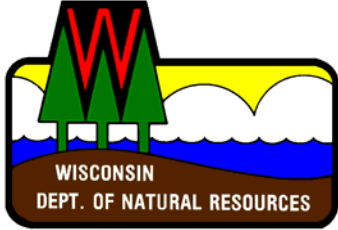
- ◆ For the allocation of Compliance Supplement Pool allowances:
  - ◆ Reduce the early emission reduction target level from 0.15 lb/mmBtu to 0.11 lb/mmBtu.
  - ◆ Increase the early emission reduction target level from 0.15 lb/mmBtu to 0.25 lb/mmBtu.
- ◆ Allow emission reductions registered on the Voluntary Emission Reduction Registry to receive early emission reduction credits.



## *Changes to Rule*

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- ◆ For allocation of Compliance Supplement Pool allowances, changed the early emission reduction target level from 0.15 lb/mmBtu to 0.25 lb/mmBtu
- ◆ Creation of process for inclusion of renewable units
- ◆ Technical changes:
  - ◆ Conform with federal definitions and structures
  - ◆ Clarification of allocation structure
  - ◆ Correction of Compliance Supplement Pool allocation equation
  - ◆ Correction of units



## *Questions?*

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