

**Wisconsin Department of Natural Resources
Natural Resources Board Agenda Item**

SUBJECT: Request that the Board adopt AM-19-13, proposed rules affecting NR 446 related to the control of mercury emitted by coal-fired electric generating units

FOR: January 2014 Board meeting

PRESENTER'S NAME AND TITLE: Pat Stevens, Administrator, Division of Air, Waste, and R&R

SUMMARY:

Under the current form of the state mercury rule, Wisconsin coal-fired electric generating units (EGU) must comply with a second, more stringent control requirement beginning on January 1, 2015. The proposed rule will change this initial compliance date to April 16, 2016.

Changing the compliance date to April 16, 2016 facilitates the transition of mercury emission regulation from under the state mercury rule to regulation under two recently promulgated federal rules. The two federal rules are the mercury and air toxics standards (MATS) rule and the industrial, commercial and institutional (ICI) boiler rule. The initial compliance dates of these two rules are April 16, 2015 and January 31, 2016, respectively. Together, these two federal rules regulate the same EGUs that are subject to the state mercury rule. Pursuant to s. 285.27 (2) (d), Wis. Stats., these EGUs are no longer subject to the state mercury rule once their emissions are regulated under the federal emission standards. Therefore, the federal rules are the long-term regulations for coal-fired EGU mercury emissions.

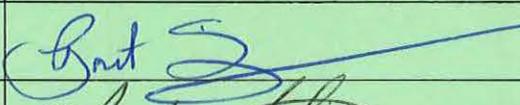
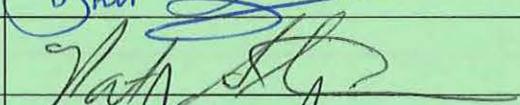
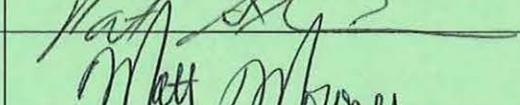
Moving the second state rule compliance date to April 16, 2016 will allow EGUs to focus on meeting the federal standards. This change will reduce complexity, cost, and compliance burden because it prevents the EGUs from becoming subject to the second state rule requirements on January 1, 2015, only to be exempt a short time later when compliance begins under the federal rules. In addition to reducing compliance cost and burden, the Department does not anticipate that the proposed rule change will result in an appreciable difference in actual mercury emission levels. The proposed later compliance date will ensure that mercury reductions occur in the event that federal rules are delayed.

The proposed rule reduces cost and compliance burden to electric utilities and does not impact small business or have an added economic cost impact.

RECOMMENDATION: That the Board adopt AM-19-13.

LIST OF ATTACHED MATERIALS (check all that are applicable):

- | | |
|---|---|
| <input checked="" type="checkbox"/> memo to the Board | <input type="checkbox"/> Attachments to background memo |
| <input checked="" type="checkbox"/> Fiscal estimate and economic impact analysis (EIA) form | <input type="checkbox"/> Environmental assessment or impact statement |
| <input checked="" type="checkbox"/> Response summary | <input checked="" type="checkbox"/> Board order/rule |

Approved by	Signature	Date
Bart Sponseller, Director of Air Management		12/18/13
Pat Stevens, Division Administrator, Air, Waste and R&R		12/18/13
Cathy Stepp, Secretary		12/19/13

cc: Board Liaison - AD/8

Program attorney - LS/8

Department rule coordinator - LS/8

CORRESPONDENCE/MEMORANDUM

DATE: December 17, 2013

TO: All Members of the Natural Resources Board

FROM: Cathy Stepp, Secretary

SUBJECT: Background memo for adoption of Board Order AM-I9-I3, proposed rule affecting NR 446 related to the control of mercury emitted by coal-fired electric generating units.

- 1. Subject of Proposed Rule:** The proposed rule affects requirements for controlling mercury emitted by coal-fired electric generating units (EGUs) as set forth in subch. III of ch. NR 446, Wis. Adm. Code. The Department proposes extending the compliance date for this requirement from January 1, 2015 to April 16, 2016.
- 2. Why is the rule being proposed?** This rule is being proposed in order to prevent undue compliance burden and costs that may otherwise result from dual regulation of mercury emitted by coal-fired EGUs by both state and federal rules within a short timeframe.

Wisconsin EGUs are currently subject to a 40 percent control requirement under the state mercury rule as set forth in subch. II of ch. NR 446, Wis. Adm. Code. Currently, without the proposed rule revision EGUs will become subject to a second, more stringent state control requirement beginning January 1, 2015. This second state rule requirement is set forth in subch. III of ch. NR 446, Wis. Adm. Code. Wisconsin coal-fired EGUs will also become subject to mercury emission limits via two recently promulgated federal rules. The first federal rule is the mercury and air toxics standards (MATS) rule with emission limits becoming effective on April 16, 2015. The second federal rule is the industrial, commercial and institutional (ICI) boiler rule with emission limits becoming effective on January 31, 2016.

These two federal rules will affect the same EGUs subject to the state mercury rule. Therefore, under the current compliance schedules, EGUs will have to comply with federal rule emission limitations a few months after the second state rule requirement becomes applicable. This dual, staggered compliance schedule will increase the complexity and cost of meeting mercury control requirements. The Department considers this additional cost and compliance burden to be unnecessary for two reasons:

- 1) Wisconsin law under s. 285.27(2)(d), Wis. Stats., exempts sources from state requirements when emissions of the same hazardous pollutant are regulated under federal emission standards.
- 2) The Department does not anticipate that the rule change will result in an appreciable difference in actual mercury emissions. This finding was presented to the Natural Resources Board on May 22, 2013 in the report "Wisconsin's State Mercury Air Emission Rule".

Based on these reasons, maintaining the current state rule requirements will result in additional cost and compliance burden but will yield no appreciable environmental benefit. Therefore, the Department is proposing to change the initial compliance date of the second state rule requirement from January 1, 2015 to April 16, 2016.

- 3. Summary of the rule.** The proposed rule extends the compliance date for the second, more stringent state mercury rule requirement from January 1, 2015 to April 16, 2016. This requirement is found in subch. III of ch. NR 446, Wis. Adm. Code. The proposed rule will also change several dates for initial

monitoring and compliance reporting requirements in order to be consistent with the revised compliance date.

April 16, 2016 was chosen as the new compliance date for the second, more stringent state requirement in order to accommodate a potential one year extension to MATS rule emission limitations as allowed under the Clean Air Act (CAA) based on need. Without allowing for this full year period, EGUs granted an extension to the MATS rule will still be subject to the second state rule mercury control requirement. Requiring compliance with the second state rule requirement in this case would not be consistent with the intent of the proposed rule change. Relative to the ICI boiler rule, the Department has not received any information indicating that affected EGUs will need a compliance extension past April 16, 2016.

- 4. Hearing synopsis and summary of public comments.** A public hearing was held at 10:00 AM on November 12, 2013 in Madison, Wisconsin. Department staff attending the hearing included Mike Friedlander, serving as the hearing officer, and Tom Karman, who presented background information on the rule.

A representative of one electric utility attended the public hearing for informational purposes. No statements or written comments were submitted during the public hearing. The public comment period for accepting written comments closed on November 14, 2013. The Department received written comments from two utilities supporting the proposed rule. No changes were made to the proposed rule as a result of comments submitted by the public or regulated entities. The Department did receive comments from the Legislative Clearinghouse and made all of the recommended changes to the Board Order.

- 5. How does this proposal affect existing policy?** This rule change remains consistent with Department policy to control mercury emissions from coal-fired electric generating units.
- 6. Soliciting public input on economic impact synopsis.** The Department developed a fiscal estimate and economic impact analysis (FE/EIA). The Department solicited information and public comment on the economic impacts of the proposed rule from August 26, 2013 through September 10, 2013. Comments were received from three electric utilities supporting the Department's conclusion that the rule change would prevent undue regulatory burden and cost.
- 7. Environmental Analysis.** The Department is classifying the proposed rule as a Type III action, in that it is not anticipated to cause significant environmental effects, significantly affect energy usage or involve unresolved conflicts in the use of available resources. As previously described, the proposed rule change is structured to aid the transition of mercury emission regulation from under the state rule to under the federal rules. At the same time, the rule change will continue to fulfill state policy regarding regulation of mercury emissions. Therefore, the Department believes there is no appreciable environmental effect, energy usage, or user conflict that directly results from the proposed rule change. This determination is made in accordance with s. NR 150.03, Wis. Adm. Code.
- 8. Final Regulatory Flexibility Analysis.** The proposed rule will only affect electric utilities generating electricity and will not affect small businesses. Therefore, a final regulatory flexibility analysis was not required or prepared.

ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

1. Type of Estimate and Analysis

Original Updated Corrected

2. Administrative Rule Chapter, Title and Number

NR 446 Subchapter III - Control of Mercury Emissions from Coal-fired Electric Generating Units

3. Subject

Revision of the initial compliance date under subch. III of ch. NR 446, Wis. Adm. Code, from January 1, 2015 to April 16, 2016

4. Fund Sources Affected

GPR FED PRO PRS SEG SEG-S

5. Chapter 20, Stats. Appropriations Affected

NA

6. Fiscal Effect of Implementing the Rule

No Fiscal Effect Increase Existing Revenues Increase Costs
 Indeterminate Decrease Existing Revenues Could Absorb Within Agency's Budget
 Decrease Cost

7. The Rule Will Impact the Following (Check All That Apply)

State's Economy Specific Businesses/Sectors
 Local Government Units Public Utility Rate Payers
 Small Businesses (if checked, complete Attachment A)

8. Would Implementation and Compliance Costs Be Greater Than \$20 million?

Yes No

9. Policy Problem Addressed by the Rule

Mercury emitted by coal-fired electric generating units (EGUs) in the state will be regulated under recently promulgated federal rules beginning on April 16, 2016. According to s. 285.27(2)(d), Wis. Stats, these same EGUs will be exempt from the state mercury rule requirements under subch. II and III of ch. NR 446, Wis. Adm. Code, when mercury emissions are regulated under the federal emission standards. The Department is proposing to change the initial compliance date under subch. III of ch. NR 446, Wis. Adm. Code, from January 1, 2015 to April 16, 2016 to aid the transition of regulating mercury emissions from under the state rule to the federal rules.

10. Summary of the businesses, business sectors, associations representing business, local governmental units, and individuals that may be affected by the proposed rule that were contacted for comments.

The state mercury rule affects EGUs operated by six electric utilities: Alliant Energy, Dairyland Power Cooperative, Manitowoc Public Utilities (MPU), Wisconsin Public Service Corporation, We Energies, and Xcel Energy. The Department solicited information from the affected utilities, local units of government, and individuals in finalizing the economic impact assessment. The Department received comments from three of the affected utilities, Dairyland Power Cooperative, MPU and Xcel Energy.

11. Identify the local governmental units that participated in the development of this EIA.

Manitowoc Public Utility (MPU) is owned and operated by the City of Manitowoc. MPU provided comments supporting the conclusion that the rule change will reduce compliance burden and cost.

12. Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred)

The objective of the proposed rule change is to aid transition of mercury emission regulation from under state rule to federal rule and therein reduce potential compliance costs and burden. As a result, there is no increase in costs to the affected EGUs and electric rate payers. Likewise, there is no negative impact on the state's economy. The Department received comments supporting this conclusion from three of the affected EGUs. The Department received no other comments.

13. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule

ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

The proposed rule change is intended to reduce potential compliance cost and burden. The alternative is to take no action which will result in electric utilities complying with state rule requirements in subch. III of ch. NR 446, Wis. Adm. Code, on January 1, 2015 and then federal rule requirements beginning on April 16, 2015. These dual, staggered compliance requirements with both the state and federal rules will result in additional undue cost and use of resources. The proposed rule change modifies the initial compliance date for requirements in subch. III of ch. NR 446, Wis. Adm. Code, from January 1, 2015 to April 16, 2016. This approach accomplishes two goals; 1) it allows EGUs to comply first with federal requirements and thereby be exempt from the state rule requirements and 2) it ensures that mercury emission reductions still occur in the event that federal rules are delayed past April 16, 2016.

14. Long Range Implications of Implementing the Rule

According to s. 285.27(2)(d), Wis. Stats., mercury emitted by electric utilities will no longer be regulated under state rules once emissions are regulated under federal emission standards. This means that in the long-term, mercury emitted by electric utilities will be regulated under federal rules. This proposed rule change is intended to facilitate this transition to regulation under the federal rules. Therefore, the proposed rule does not change the long-term outcome for regulating mercury emitted by coal-fired electric utilities.

15. Compare With Approaches Being Used by Federal Government

This rule action is consistent with federal rules regulating electric utility mercury emissions.

16. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)

Mercury emitted by electric utilities in neighboring states will also be regulated by the same federal rules affecting Wisconsin electric utilities.

<h4>17. Contact Name</h4> <p>Tom Karman</p>	<h4>18. Contact Phone Number</h4> <p>(608) 264-8856</p>
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This document can be made available in alternate formats to individuals with disabilities upon request.

ADMINISTRATIVE RULES
Fiscal Estimate & Economic Impact Analysis

ATTACHMENT A

1. Summary of Rule's Economic and Fiscal Impact on Small Businesses (Separately for each Small Business Sector, Include Implementation and Compliance Costs Expected to be Incurred)

The proposed rule change does not have a fiscal impact on small business for purposes of this EIA.

2. Summary of the data sources used to measure the Rule's impact on Small Businesses

3. Did the agency consider the following methods to reduce the impact of the Rule on Small Businesses?

- Less Stringent Compliance or Reporting Requirements
 - Less Stringent Schedules or Deadlines for Compliance or Reporting
 - Consolidation or Simplification of Reporting Requirements
 - Establishment of performance standards in lieu of Design or Operational Standards
 - Exemption of Small Businesses from some or all requirements
 - Other, describe:
-

4. Describe the methods incorporated into the Rule that will reduce its impact on Small Businesses

5. Describe the Rule's Enforcement Provisions

6. Did the Agency prepare a Cost Benefit Analysis (if Yes, attach to form)

- Yes No
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**ORDER OF THE STATE OF WISCONSIN NATURAL RESOURCES BOARD
AMENDING AND CREATING RULES**

The Wisconsin Natural Resources Board adopts an order to **amend** NR 446.12 (1), 446.13 (1), 446.14 (1) (a), (b), and (c) 1., 446.17 (1) (intro.), and 446.185 (1) (b); and to **create** NR 446.17 (1) (Note) relating to the control of mercury emitted by coal-fired electric generating units.

AM-19-13

Analysis Prepared by the Department of Natural Resources

- 1. Statutes interpreted:** Sections 227.11 (2) (a), 285.11 (9) and 285.27 (2) (b), Wis. Stats.
- 2. Statutory authority:** Sections 227.11 (2) (a) and 285.11 (9), Wis. Stats.
- 3. Explanation of agency authority:** Wisconsin statute s. 227.11 (2) (a) authorizes the Department to promulgate rules interpreting the provisions of any statutes enforced or administered by it. Wisconsin statute s. 285.11 (9) authorizes the Department to prepare and adopt minimum standards for the control of mercury emissions. Wisconsin statute 285.27 (2) (b) requires that a finding be made that the control of mercury emissions is needed to protect human health and welfare before an emission limitation can be promulgated by the Department.

4. Related statutes or rules: This proposed rulemaking affects state mercury emission control requirements for coal-fired EGUs under subchs. II and III of ch. NR 446, Wis. Adm. Code. These rules were established in 2008 under authority of s. 285.11 (9), Wis. Stats. This statute in turn refers s. 285.27 (2) (b), which requires a finding that control of mercury emissions is needed to protect human health and welfare before an emission limitation can be promulgated by the Department. A health and welfare finding was made in accordance with s. 285.27 (2) (b), Wis. Stats., as part of the 2008 rulemaking process.

Wisconsin statute s. 285.27 (2) (d) specifies that sources of hazardous air pollutants are exempt from state rule requirements when emissions are regulated by federal emission standards promulgated under section 112 of the Clean Air Act (CAA).

5. Plain language analysis: Mercury emitted by coal-fired EGUs is regulated by the state under subchs. II and III of ch. NR 446, Wis. Adm. Code. This administrative code is commonly referred to as the "state mercury rule". Currently under the state mercury rule, coal-fired EGUs are currently subject to a 40 percent control requirement. Beginning on January 1, 2015, coal-fired EGUs will have to meet a second, more stringent state rule control requirement. The action proposed in this Board Order will extend the initial compliance date for this second control requirement from January 1, 2015 to April 16, 2016.

The same coal-fired EGUs subject to the state mercury rule will also be subject to mercury emission standards under one of two federal rules: the mercury and air toxics standards (MATS) rule or the industrial, commercial and institutional (ICI) boiler rule. EGUs subject to the MATS rule must demonstrate compliance by April 16, 2015 and those subject to the ICI boiler rule must demonstrate compliance beginning on January 31, 2016.

According to the current rule schedules, compliance with the second, more stringent state rule requirement begins three and a half months before the MATS rule emission standards and thirteen months before the ICI boiler rule emission standards become applicable. This means that, pursuant to s. 285.27

(2) (d), Wis. Stats., EGUs will be subject to the second, more stringent state rule requirement for only a short period of time, from January 1, 2015 until compliance begins under each federal rule.

The Department has concluded that, with the federal rules in place, requiring EGUs to comply with the second, more stringent state mercury rule requirement for a short period is unnecessary and unwarranted for a number of reasons. First, as discussed, state law directs that Wisconsin EGUs will be exempt from state requirements and that their mercury emissions will be regulated, in the long-term, by the federal rules. Second, the Department believes that meeting both the second state rule requirement and the federal rule requirements within a short period of time will increase complexity, cost, and compliance burden for the affected EGUs. Lastly, allowing EGUs to meet a federal rule without the second state rule requirement becoming applicable does not result in any appreciable difference in emitted mercury compared to emission levels that would occur if the federal rules were not implemented and the state rules are fully implemented. This comparison of emission levels is presented in Item 6 of this analysis.

For these reasons, the Department is proposing to extend the compliance date for second state rule requirement from January 1, 2015 to April 16, 2016. In this way, EGUs will only become subject to the second state rule requirement if the federal rules are delayed past April 16, 2016. The Department is proposing this new compliance date to be one year after the federal MATS rule compliance date. Most EGUs will comply with the MATS rule on April 16, 2015, however, several EGUs have requested an extension to the MATS compliance date as allowed under the Clean Air Act. This extension is allowed in order to accommodate the installation of controls, retiring or repowering the EGU, or to ensure electric reliability. Such an extension may be granted for up to one year. Without allowing for the full period, EGUs receiving an extension to the federal requirements will still be subject to the second state rule requirement. This situation is not consistent with the intent of the proposed rule change and therefore the new compliance date of April 16, 2016 is proposed. For EGUs subject to the ICI boiler rule, the Department has no information suggesting that extensions beyond April 16, 2016 may be needed.

Information and a comparison of mercury emission levels supporting this rule change are provided in the report "Wisconsin's State Mercury Air Emission Rule". This report was presented to the Natural Resources Board on May 22, 2013. At that time, the Board approved the report's recommendation to extend the compliance date from January 1, 2015 to April 16, 2016 for the second, more stringent state rule mercury control requirement.

6. Summary and comparison with existing and proposed federal regulations: A detailed comparison of mercury emission levels that may result under the state and federal rule requirements was presented to the Natural Resources Board on May 22, 2013 in the report titled "Wisconsin's State Mercury Air Emission Rule". This comparison, summarized in the following table, showed that mercury emission levels resulting if the current state mercury rule were fully implemented (State Rule Compliance) is estimated to range from 550 to 743 pounds in 2015. In comparison, if EGUs continue to meet the state mercury rule 40 percent control requirement until the MATS and ICI boiler rule requirements become applicable (Federal Rule Compliance), the resulting mercury emissions are estimated to range from 584 to 663 pounds in 2015. In this latter case, EGUs are not subject to the second state mercury rule requirement as is being proposed by this rule change. Based on this analysis, there is no appreciable difference in emission levels in 2015 between a case where only the state rule applies and the case where EGUs transition directly from 40 percent control under the state rule to meeting the federal rule emission standards.

Emissions through 2021 are presented in the table in order to show mercury emission levels through full implementation of the rules. This information shows that the state and federal rules would be expected to achieve comparable mercury emission reductions over these timeframes.

Year	State Rule Compliance		Federal Rule Compliance	
	Percent Control	Remaining Hg Emissions (lbs.)	Percent Control	Remaining Hg Emissions (lbs.)
2015	83 – 87%	550 – 743	84 – 86%	584 – 663
2016	83 – 87%	550 – 743	87 – 89%	446 – 558
2021	89 – 92%	345 – 449	87 – 89%	446 – 558

Note: Percent control is measured from the baseline uncontrolled emissions of 4,275 pounds per year as determined under s. NR 446.06, *Wis. Adm. Code*. The baseline uncontrolled emissions are the average of uncontrolled emissions for 2002, 2003, and 2004.

7. Comparison of similar rules in adjacent states: The federal MATS and ICI boiler rules will affect EGUs in adjacent states in the same manner as EGUs in Wisconsin. Like Wisconsin, some of these states also have existing state mercury emission standards in place. These states are responding in a variety of ways, as summarized in the following table.

State	Existing State Hg Rule (Y/N)	Response to Federal MATS
Illinois	Yes	Have not considered state response to federal MATS in detail. Expect that sources will need to meet both state and federal regulations.
Michigan	Yes	Revising the state rule to be consistent with MATS.
Minnesota	Yes	Adopting federal MATS rule. Will also require compliance with more stringent state rule.
Iowa	No	No action at this time. Waiting for EPA's response to reconsideration of the MATS rule.

8. Summary of factual data and analytical methodologies: The Department reviewed all applicable state statutes and administrative code. The Department determined that affected EGUs will be exempt from state mercury rule requirements when mercury emissions are regulated under federal emission standards. This exemption from state requirements is provided under s. 285.27 (2) (d), *Wis. Stats*.

The Department evaluated mercury emission control levels and remaining emissions that are expected under full implementation of either the state mercury rule or the two federal rules. The Department determined that the current compliance date of the state mercury rule may result in undue compliance burden and cost even though mercury emissions, in the long-term, will be regulated under the federal MATS and ICI boiler rules. Therefore, the Department evaluated options to transition regulation of mercury emissions from under the state mercury rule to the federal rules in a manner consistent with the applicable statutes. The factual data and methodologies used to evaluate the state and federal mercury rule requirements are documented in the report presented to the Natural Resources Board on May 22, 2013 which can be accessed from the May 22, 2013 agenda on the Natural Resource Board's website.

9. Analysis and supporting documents used to determine effect on small business or in preparation of an economic impact analysis: One goal of the proposed rule change is to avoid undue regulatory cost. Pursuant to s. 227.137, *Wis. Stats.*, the Department solicited information and advice from affected sources and stakeholders concerning the economic impacts of the proposed rule. The Department received comments from three affected utilities that supported the conclusion that the rule change will reduce compliance burden and cost. This information was considered in preparing the fiscal estimate and

economic impact analysis.

10. Effect on small business: The proposed rule will only affect electric utilities generating electricity and will not affect small businesses.

11. Agency Contact:

Tom Karman
Regional Pollutants and Mobile Source Section
Wisconsin Department of Natural Resources
608-264-8856
Thomas.Karman@Wisconsin.gov

SECTION 1. NR 446.12 (1) is amended to read:

NR 446.12 (1) Beginning ~~January 1, 2015~~ April 16, 2016, an owner or operator of a small coal-fired EGU shall limit mercury emissions to a level that is determined by the department to be best available control technology.

SECTION 2. NR 446.13 (1) is amended to read:

NR 446.13 (1) Beginning ~~January 1, 2015~~ April 16, 2016, an owner or operator of a large or a small coal-fired EGU designated by the department to meet the emission limitation in this subsection under s. NR 446.17 (2) (b) shall achieve a minimum of 90% mercury emission reduction as measured from the mercury content of fuel combusted or limit mercury emissions annually to 0.0080 pounds per gigawatt-hour (lbs/GWh) of electricity produced.

SECTION 3. NR 446.14 (1) (a), (b), and (c) 1. are amended to read:

NR 446.14 (1) (a) For NO_x, beginning ~~January 1, 2015~~ April 16, 2016, 0.07 pounds per mmBtu of heat input.

(b) For SO₂, beginning ~~January 1, 2015~~ April 16, 2016, 0.10 pounds per mmBtu of heat input.

(c) 1. Beginning ~~January 1, 2015~~ April 16, 2016 and to December 31, 2017, a 70% mercury emission reduction as measured from the mercury content of fuel combusted or 0.0190 pounds per gigawatt-hour (lbs/GWh).

SECTION 4. NR 446.17 (1) (intro.) is amended to read:

NR 446.17 (1) ANNUAL COMPLIANCE REPORT. (intro.) ~~Beginning~~ By July 1, 2017, the owner or operator of a coal-fired EGU subject to this subchapter shall prepare and submit a compliance report for the initial period of April 16, 2016 to April 15, 2017. On or before March 1, 2015 2018, and on

or before March 1 of every calendar year thereafter, the owner or operator of a coal-fired EGU subject to this subchapter shall prepare and submit a compliance report for the previous calendar year. The report shall include all of the following:

SECTION 5. NR 446.17 (1) (Note) is created to read:

NR 446.17 (Note) The compliance periods and compliance report due dates are specified in order to allow for 12 month emission averaging periods in complying with large EGU emission limitations, and in complying with small EGU emission limitation if appropriate. The initial compliance report due by July 1, 2017 will demonstrate compliance for the period of April 16, 2016 to April 15, 2017. The second compliance report will be due on March 1, 2018 and will demonstrate compliance for the period of January 1, 2017 to December 31, 2017. All subsequent reports will be due on March 1 of each year and will demonstrate compliance for the previous calendar year.

SECTION 6. NR 446.185 (1) (b) is amended to read:

NR 446.185 (1) (b) Baseline mercury emissions shall be determined and used for calculating annual allowable mercury emissions for 5-year periods beginning with the period of ~~2015~~ 2016 to ~~2019~~ 2020. Baseline mercury emissions shall be determined every 5 years and used to calculate annual allowable mercury emissions for the subsequent 5-year period.

SECTION 7. EFFECTIVE DATE. This rule shall take effect on the first day of the month following publication in the Wisconsin administrative register as provided in s. 227.22 (2) (intro.), Stats.

SECTION 8. BOARD ADOPTION. This rule was approved and adopted by the State of Wisconsin Natural Resources Board on _____.

Dated at Madison, Wisconsin _____.

STATE OF WISCONSIN
DEPARTMENT OF NATURAL RESOURCES

By _____
Cathy Stepp, Secretary

(SEAL)