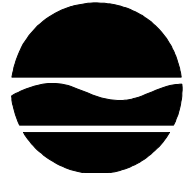


New York State Department of Environmental Conservation



Division of Air Resources

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[NOTE: This meeting has been rescheduled to May 17, same location – Aaron]

March 10, 2004

Dear Stakeholder:

RE: Distributed Generation Rule (Part 222)

You are invited to attend the fourth Stakeholders Meeting for the New York State Department of Environmental Conservation's (Department) Distributed Generation Rule Making Project. The meeting will be held on Tuesday April 6, 2004 in Public Assembly Room 129A at the Department's offices at 625 Broadway in Albany. The meeting will commence at 10:00 am. The agenda for the meeting will be forwarded to you electronically within the next couple of weeks.

There are a number of changes to the emission standards which the Department will be proposing in the initial draft of the rule. First, for new distributed generation sources, the following emission standards will be proposed:

<u>Source Category</u>	<u>NO_x (lb/MWh)</u>	<u>CO (lb/MWh)</u>
Microturbines	1.60	6.50
Turbines	1.60	6.50
Spark-ignited Engines	1.60	6.50
Compression Engines (non-emergency)	1.60	6.50
Compression Engines (emergency - installed prior to 1/1/09)	16.0	6.50
Compression Engines (emergency - installed on or after 1/1/09)	6.0	6.50

These standards would take effect on January 1, 2005 (subject to change depending upon the completion of the rule making).

Second, the NO_x emission standards for existing non-emergency distributed generation sources with a maximum rating above a certain size threshold (to be determined) would be based in part upon the emission standards that are set forth in 6 NYCRR 227-2. The following standards would become effective on January 1, 2008:

Microturbines: 1.60 lb/MWh
Natural gas-fired turbines: 50 ppmvd at 15% O₂
Diesel fired turbines: 100 ppmvd at 15% O₂
Rich burn engines: 2.0 g/bhp-hr
Natural gas-fired lean burn engines: 3.0 g/bhp-hr
Diesel-fired lean burn engines: 9.0 g/bhp-hr

The concentration-based standards for turbines cannot be directly converted to output-based standards. Therefore, the Department is proposing that the concentration based standards set forth in Subpart 227-2 (for simple-cycle turbines) be applied to similar sources to be regulated under Part 222.

In addition, effective January 1, 2007, all new and existing oil-fired distributed generation sources would be subject to a PM10 emission limit of 0.10 lb/MMBTU.

If you have any questions or concerns regarding this matter, please feel free to contact me or Mr. John Barnes, P.E. of my staff at (518) 402-8396.

Sincerely,

Ronald W. Stannard, P.E.
Chief, Stationary Source Planning Section

cc: C. Johnson
D. Shaw
J. Ralston
R. Sliwinski
J. Barnes