MEMORANDUM

To: MATS Affected Sources  
From: Steve Norfleet, RMB  
Date: April 23, 2014  
Re: Potential Changes to MATS Electronic Reporting  

The utility industry has a valuable opportunity to work with EPA to improve, streamline and simplify the electronic reporting requirements under the Mercury and Air Toxics Standards (MATS) Rule. Alternative formats could allow sources to automate the data collection more easily and to handle the emissions reporting more consistently. While the industry would still report the information needed to demonstrate compliance, potential changes to the reporting requirements hold the prospect of not only reducing the overall burden of the reporting but also of providing higher quality emissions data.

Background

The MATS Rule requires electronic reporting of various emissions information including continuous emissions monitoring systems (CEMS) data, performance test results and compliance reports. The rule currently requires a complicated mix of reporting. Affected utilities must report certain data through the Emissions Collection and Monitoring Plan System (ECMPS) but also report data--sometimes redundantly--using the Electronic Reporting Tool (ERT) and/or the Compliance and Emissions Data Reporting Interface (CEDRI). To date, EPA’s Clean Air Markets Division (CAMD) has developed draft reporting instructions for some of the data, but many reporting elements have yet to be clearly defined. The limited progress by the Agency on reporting instructions and reporting tools add significant uncertainty for electric utilities and software vendors as they prepare to meet the April 16, 2015 deadline for existing sources.

Over the past year, RMB has had discussions with EPA on ways to remedy the problems with the MATS reporting requirements. As the attached letter suggests, the Agency is now interested in working together with the industry to pursue changes to the reporting requirements. The proposed effort provides an opportunity to address many issues with the reporting requirements, simplify some reporting requirements, and develop alternative reporting formats to the ERT and CEDRI.

As many sources discovered during EPA’s Information Collection Request (ICR), entering data in the ERT can be cumbersome and can make the process more prone to data entry error. Likewise, the current versions of the CEDRI web-forms would make it difficult for the source to automate reporting and similar data entry issues could arise. An alternative XML format would allow sources to more readily automate data collection and reporting using their existing
software tools, which is particularly attractive given the significant additional burden that this rule already places on utility environmental staff.

**Proposed Effort**

Based on our discussions with the Agency, RMB is proposing to form a utility-funded, ad hoc group to address the void that exists with respect to MATS reporting guidance and to develop alternative formats for performance test data and other monitoring information that are required to be reported electronically under the rule. We want to develop a viable electronic reporting framework following a pragmatic and collaborative approach with the cooperation of both industry and EPA. As part of this effort, RMB will solicit the utilities (and software vendors) to review drafts as the drafts are developed to provide feedback and to ensure that we are addressing all the potential monitoring combinations and options allowed under the MATS rule and assure that the instructions are clear and provide adequate detail. At the same time, we expect to obtain adequate feedback from EPA to ensure that the final product/approach is acceptable to the Agency.

Affected utilities need detailed reporting instructions/formats to develop the tools and software that will allow them to demonstrate compliance and perform required reporting and recordkeeping tasks. Experience during the initial phase of the Acid Rain Program as well as the more recent conversion to XML reporting via ECMPS for Part 75 has demonstrated the invaluable nature of utility involvement in this process. Furthermore, EPA is envisioning a possible rulemaking to address the reporting issues. Given the amount of data involved, developing the reporting format upfront is critical to be able to know specifically what information should be included in the section of the rule that identifies the electronic reporting requirements. We believe the existing electronic reporting requirements exemplify a "devil is in the details" situation. By developing the format and reporting instructions first, the industry and EPA can avoid ambiguity over what should be reported and allow the information to be reported in an efficient, verifiable way.

**Qualifications**

RMB has the knowledge and experience to develop electronic reporting formats and instructions that will address the variety of monitoring and compliance options allowed under the MATS Rule. RMB has been aiding electric utilities and other industries with reporting requirements for years. Our staff has been assisting sources with reporting emissions data under 40 CFR Part 75 since the beginning of the Acid Rain Program, is well versed with XML, and has broad experience with emissions monitoring and testing issues. We prepared and reviewed Electronic Reporting Tool (ERT) files for several utilities during the utility ICR and developed software tools to automate extraction of ERT data for an EPRI effort designed to help evaluate the quality of the emissions data that was being reported to EPA during the Utility ICR. We have managed a number of EPRI-funded field test studies to assess emissions monitoring technologies including PM CEMS and mercury CEMS evaluations and, more recently, a study evaluating the performance of multiple HCI CEMS. RMB has also coordinated similar industry-funded ad hoc group efforts in the past and has the contacts and resources necessary to execute such a project.
Scope of Work

RMB proposes the following three tasks. The final scope of work may be revised based on feedback from the various project participants. The scope of the project may also need to evolve based on discussions with the EPA as well as any parallel changes to the MATS Rule or related requirements (e.g., changes to the startup/shutdown provisions and promulgation of PS-18 for HCl CEMS).

Task 1. Prepare Draft Reporting Formats and Instructions. RMB will first develop a detailed list of the items that are required to be reported electronically under the current rule. We will discuss with the Agency its desire to obtain additional data (e.g., hourly PM CEMS data), recognizing that increasing the reporting requirements most likely would necessitate another rulemaking. However, such contemplated changes need to be part of the discussion so the effect on data reporting can be appropriately addressed. RMB would then develop an initial outline/description of the reporting format for the group's review prior to fleshing it out in more detail. At that time, it would be useful to also discuss with EPA any Agency naming conventions or other requirements that might impact the format, the nature of the EPA databases that will ultimately be populated, and the general ways that the Agency might want to use the data.

Once we have general agreement on the information that needs to be reported, RMB will develop formats and reporting instructions for all MATS related electronic reports including the CEMS data, performance test results, and compliance reports. RMB would prepare initial drafts of the formats and instructions for review by participating utilities, software vendors, and the Agency. We envision an iterative process, with periodic conference calls with the utility group to discuss questions that the members have that may warrant clarification or issues that they identify that might need to be resolved in the formats or reporting instructions. This interaction will also help ensure that the draft documents address the various options under the rule and allow group members to anticipate the general requirements during the preliminary stages when the draft instructions and formats are still being refined.

In developing the draft reporting instructions (and the suggested reporting related rule revisions), RMB would use as a template the XML formats which utility sources already use to report emissions data via ECMPS. Using a more open structure such as XML would allow utilities, test contractors and software vendors to more easily integrate solutions with existing tools/software to automate data collection and avoid data entry burden/errors. To the extent that such information is available, RMB will use any draft formats that EPA may have developed as a starting point for our effort.

Task 2. Developing General Consensus on Reporting Issues. The reporting instructions will need to address the many compliance options permitted under the MATS rule (e.g., how to report if a source switches between lb/MMBtu and output-based standards or changes its compliance methodology, identifying unit averaging results, etc.). In cases where the MATS requirements are ambiguous, RMB will provide justification for its recommendations on how such data should be reported. Some of the current reporting requirements, such as reporting to three significant digits and reporting sorbent trap data during startup, are infeasible from a practical standpoint due to inherent technical problems. Recommendations may also be warranted to address
requirements that are evolving (e.g., HCl CEMS QA/QC). RMB and the industry's experience, particularly with PM CEMS, could provide useful insight in how to best structure the reporting requirements contemplated by the MATS Rule.

Where appropriate, we will also provide recommendations for streamlining the reporting process. Specific attention will be given to how to report performance test results since the MATS rule is particularly ambiguous on how to report this information. Since EPA will be using ECMPS for two separate programs, RMB will also provided recommendations regarding how the reporting process might accommodate the utility's ability to establish a separate Designated Representative for Part 75 and Responsible Official for Part 63 while minimizing duplicative reporting.

Throughout the effort, periodic meetings with personnel from CAMD and EPA's Office of Air Quality Planning and Standards (OAQPS) may be needed to discuss the draft reporting instructions and refine the approach accordingly. If general consensus can be reached and a direct final rulemaking is being considered, the benefit of the rulemaking package and the general approach would need to be conveyed to the industry to help ensure its success.

Task 3. Review Potential Rulemaking. If the Agency proposes rule changes to revise the MATS electronic reporting, RMB will review the proposed (or direct final) rule, identify any differences between the rule and the ad hoc group’s recommendations, and develop comments as appropriate.

Schedule

Since the MATS compliance date is rapidly approaching, timing is important to minimize duplicative effort and to ensure compliance reporting gets off to a smooth start. Presuming adequate support can be obtained, RMB proposes to conduct the bulk of this work over a three month period (June-August). Given that the changes associated with this effort are expected to focus on relatively non-controversial reporting details, EPA has suggested that at least two months will be required for the Agency's internal review process for any potential rulemaking package. However, the actual schedule will depend on the level of EPA interaction and the nature of potential issues that may arise during the discussions.

If a direct final rulemaking is pursued and no adverse comments are received, EPA has suggested that this schedule could allow for the changes to be finalized prior to the compliance deadline. Still, in order to implement the changes efficiently, the Agency would need to implement a transitional period where a portion of the electronic reporting is deferred while the systems to process the data are being developed. However, even if the changes could not be put into place prior to the compliance date, resolving the MATS reporting issues would still represent a significant benefit to both EPA and the utility industry over the long run.

Participation and Cost

RMB is soliciting all electric utilities that are affected by the MATS Rule to participate in this project. Your participation will not only support this effort but allow you provide us valuable
feedback that we need to ensure that your company's monitoring needs are properly addressed. Members of the workgroup will be kept informed of the projects progress and any applicable developments that could affect the reporting requirements. A broad base of support will help us not only keep the cost to the participating utilities low but will also allow us to better reflect the interests of utilities from across the industry.

RMB estimates that the proposed scope of work will cost approximately $100,000. The cost per utility will vary depending on the number of participants. RMB notes that the scope of work and project cost may be adjusted depending on the level of interest in the project. At this time, RMB is seeking a commitment of $7,500 from each participating utility to fund the project. Monthly invoicing can be done on a time and materials basis to allow the cost to be spread across the utilities equitably.

If you have any questions about this project, please contact me at (919) 791-3123 or norfleet@rmb-consulting for more information.