



2010 ISO New England Electric Generator Air Emissions Report

System Planning Department
ISO New England Inc.
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1. Executive Summary

Since 1993, ISO New England Inc. (ISO-NE) has analyzed annually the marginal emission rates of the ISO New England electric generation system administered by the ISO-NE. This was motivated by the need to determine the emission reductions that demand-side management (DSM) programs have had upon New England’s aggregate NO_x, SO₂, and CO₂ generating unit air emissions. The use of these emission rates was subsequently broadened to include the benefits of energy efficiency programs and renewable resource projects in the region. The marginal emission rates for NO_x, SO₂ and CO₂ were reported in the annual publication of the Marginal Emission Rate Analysis (MEA Report). In 2008, the MEA Report was replaced by the ISO New England Electric Generator Air Emissions Report (Emissions Report), which was primarily based on the previous MEA Reports, but was restructured to place more of an emphasis on air emissions produced by the entire ISO New England electric generation system, while still reporting marginal emission rates. This 2010 Emissions Report provides estimates of the annual system NO_x, SO₂, and CO₂ generator air emissions during the 2010 calendar year, as well as calculated marginal emission rates. The results of the 2010 system emissions calculations are shown in Table 1.1. The annual system emission rates are shown in pounds per megawatt-hour (lb/MWh) and the annual total emissions are shown in kilotons (kTons).¹

Table 1.1: 2010 Calculated New England Annual System Emissions

	Annual System Emissions	
	Emission Rate (lb/MWh)	Total Emissions (kTons)
NO _x	0.46	28.79
SO ₂	1.28	80.88
CO ₂	829	52,321

2010 total energy generation was higher than 2009 total energy generation by 3.4%, or 4,101 GWh. This was reflected in the total system emissions of NO_x, SO₂ and CO₂ which increased by 4.5%, 5.2% and 6.0% respectively.

Table 1.2: Differences between 2009 and 2010 System Emissions and Annual Generation (lb)

	System Emissions		
	2009 Annual (lb)	2010 Annual (lb)	Percent Change 2009 to 2010 (%)
NO _x	27.55	28.79	4.5
SO ₂	76.85	80.88	5.2
CO ₂	49,380	52,321	6.0
Annual Generation	119,282	123,383	3.4

¹ Within this and prior ISO-NE MEA and emission reports, the mass value of “tons” is equivalent to a U.S. short ton or 2,000 lb and “kilotons” is equivalent to 2,000,000 lb.

Marginal emission rates are calculated using the energy-weighted, average emission rates of generating units that would typically increase their output if regional energy demand was higher during the time periods of interest. The assumed marginal units are considered to be those that are fueled with oil (including residual, distillate, diesel, kerosene, and jet fuel), and/or natural gas.²

The results of the 2010 marginal emission rate calculations are shown in Table 1.3 in pounds per megawatt-hour (lb/MWh) and Table 1.4 in pounds per million British thermal units (lb/MMBtu).³

Table 1.3: 2010 Calculated New England Marginal Emission Rates (lb/MWh) ^{4,5}

Ozone / Non-Ozone Season Emissions (NO _x)					
Air Emission	Ozone Season		Non-Ozone Season		Annual Average (All Hours)
	On-Peak	Off-Peak	On-Peak	Off-Peak	
NO _x	0.27	0.17	0.14	0.15	0.18
Annual Emissions (SO ₂ and CO ₂)					
Air Emission		Annual			Annual Average (All Hours)
		On-Peak	Off-Peak		
SO ₂		0.13	0.06		0.09
CO ₂		941	945		943

Table 1.4: 2010 Calculated New England Marginal Emission Rates (lb/MMBtu)

Ozone / Non-Ozone Season Emissions (NO _x)					
Air Emission	Ozone Season		Non-Ozone Season		Annual Average (All Hours)
	On-Peak	Off-Peak	On-Peak	Off-Peak	
NO _x	0.034	0.021	0.018	0.019	0.023
Annual Emissions (SO ₂ and CO ₂)					
Air Emission		Annual			Annual Average (All Hours)
		On-Peak	Off-Peak		
SO ₂		0.160	0.008		0.011
CO ₂		119	119		119

The 2010 system and marginal emissions and emission rates were calculated using primarily measured air emissions reported by generator owners to the U.S. Environmental Protection Agency (EPA) and actual

² The assumed marginal units are based on the generating unit's primary fuel type, as reported within the 2011 CELT Report.

³ To convert from lb/MWh to lb/MMBtu, the 2010 calculated marginal heat rate of 7.926 MMBtu/MWh is used.

⁴ The Ozone Season is defined as occurring between May 1 and September 30, while the Non-Ozone Season is defined as occurring from January 1 to April 30 and from October 1 to December 31.

⁵ On-Peak hours consist of all weekdays between 8 A.M. and 10 P.M. Off-Peak hours consist of all weekdays between 10 P.M. and 8 A.M. and all weekends.

2010 ISO New England hourly generation data. This same methodology was used to calculate system and marginal emission rates for the 2004 through 2007 MEA Reports and the 2008 and 2009 Emissions Reports. In MEA Reports published prior to 2004, marginal emission rates were calculated using the output of a production simulation model of the ISO New England bulk power system.

The 2010 calculated marginal heat rate was determined using mostly power plant heat input data obtained from the U.S. EPA combined with actual 2010 energy production obtained from ISO-NE Settlements. This rate was used to convert the marginal emission rates from lb/MWh to lb/MMBtu. The 2010 calculated marginal heat rate was determined to be 7.926 MMBtu/MWh, increasing approximately 2.0% from the 2009 marginal heat rate of 7.774.

Due to almost no changes in the ISO-NE system generation capacity fuel mix from 2009 to 2010, the calculated system emission rates for 2010 have had minimal changes from the 2009 values: the NO_x rate had no change, and the SO₂ and CO₂ both changed less than 1%.

Table 1.5: Differences between 2009 and 2010 System Emission Rates (lb/MWh)

	System Emissions		
	2009 Annual Rate (lb/MWh)	2010 Annual Rate (lb/MWh)	Percent Change 2009 to 2010 (%)
NO _x	0.46	0.46	0.0
SO ₂	1.29	1.28	-0.8
CO ₂	828	829	0.1

Table 1.6: Differences between 2009 and 2010 Marginal Emission Rates (lb/MWh)

	Marginal Emissions		
	2009 Annual Rate (lb/MWh)	2010 Annual Rate (lb/MWh)	Percent Change 2009 to 2010 (%)
NO _x	0.17	0.18	5.9
SO ₂	0.22	0.09	-59.1
CO ₂	930	943	1.4

The NO_x and CO₂ marginal emission rates have increased slightly between 2009 and 2010, by 5.9% and 1.4%. The SO₂ marginal emission rate decreased by 59.1%. The decrease appears attributable to an additional decline in oil-fired generation of about 182 GWh and a 13.6% (about 6,794 GWh) increase in natural gas generation, which has a substantially lower sulfur dioxide emission rate.

The results showed that the 2010 SO₂ and NO_x system average emission rates are higher than the marginal rates for those pollutants. While, the CO₂ system emission rates are lower than the marginal rates.

2. Background

In early 1994, the NEPOOL Environmental Planning Committee (EPC) conducted a study to analyze the impact that demand-side management (DSM) programs had on NEPOOL's generating unit NO_x air emissions in the calendar year 1992. The results were presented in a report entitled *1992 Marginal NO_x Emission Rate Analysis*. This report was subsequently used to support applications for obtaining NO_x Emission Reduction Credits (ERC) resulting from the impacts of those DSM programs. Such applications were filed under the Massachusetts ERC banking and trading program, which became effective on January 1, 1994. The ERC program allows inventoried sources of NO_x, VOC, and CO₂ in Massachusetts to earn bankable and tradable emission credits by reducing actual power plant emissions below regulatory requirements.

In 1994, the *1993 Marginal Emission Rate Analysis* (MEA Report) was published, which provided expanded analysis of the impact of DSM programs on power plant NO_x, SO₂, and CO₂ air emissions for the calendar year 1993. MEA Reports were also published for the years 1994 through 2007, to provide similar annual environmental analyses for those years. For the 2008 emissions analysis, members of ISO New England's Environmental Advisory Group (EAG) requested that the MEA Report be restructured and renamed to reflect the importance of the amount of emissions from the entire ISO New England electric generation system.⁶ The name of the MEA Report was changed to the ISO New England Electric Generator Air Emissions Report (Emissions Report), and the new report placed a greater emphasis on the calculated system emissions for the entire ISO New England electric generation system rather than focusing primarily on marginal emissions. The Emissions Report continues to include calculated marginal emission rates. These calculated marginal emissions can be used to estimate the impact DSM programs and renewable energy projects have had on reducing New England's NO_x, SO₂, and CO₂ power plant air emissions.

The Emissions Report has been used by a variety of stakeholders to track air emissions from the electric generation system, and to estimate the avoided emissions resulting from DSM programs and renewable energy projects.

⁶ The EAG is a stakeholder working group reporting to the Planning Advisory Committee (PAC). The EAG's web site is located at: http://www.iso-ne.com/committees/comm_wkgrps/prtcpnts_comm/eag/index.html

3. Methodologies

For this 2010 Emissions Report, both the total system emissions and the marginal emission rate calculations for SO₂, NO_x and CO₂ were based primarily on the tons⁷ of air emissions reported in the U.S. EPA Clean Air Markets Division (CAMD) database. When unit specific emissions data were not available from the CAMD database, the actual megawatt-hours (MWh) of generation, as reported to ISO-NE Settlements, were used to calculate tons of emissions from the New England Power Pool Generation Information System (NEPOOL GIS) or the U.S. eGRID database, or, alternatively, emission rates that were assumed based on a similar generator type. The total system and marginal emission rates were calculated from the actual or calculated tons of power plant emissions.

All electric generators that are administered by ISO New England are included in these emissions calculations. Emissions from “behind the meter” generators or those generators not within the ISO New England control area are not part of this analysis.

3.1. Calculating Total System Emission Rate

The total system emission rate (lb/MWh) is based on the emissions produced by all ISO New England Generators during a calendar year. The formula for calculating the total system emission rate is:

$$\text{System Emission Rate (lb/MWh)} = \frac{\text{Total Annual Emissions (lb) from all Generators}}{\text{Total Annual Energy (MWh) from all Generators}}$$

3.2. Calculating Marginal Emission Rate

3.2.1. History of Marginal Emissions Calculations

In MEA studies performed prior to 2004, production simulation models were used to replicate, as closely as possible, the actual system operations for the study year (reference case). Then an incremental load scenario was modeled in which the system load was increased by 500 MW in each hour (marginal case). The marginal air emission rates were calculated based on the differences in generator air emissions between these two scenarios. However, this methodology had some drawbacks. The reference case simulation could not exactly match the actual unit-specific energy production levels of the study year due to a number of limitations in the production simulation model, including the inability to accurately represent historical overall dynamics of the energy dispatch, out-of-merit and reliability-based dispatches, unit specific outages and deratings, and effects of the daily volatility of regional (power plant) fuel prices.

Beginning in 2004, a new methodology was used to calculate the average emission rates of those units that are assumed to increase their loading during periods of high energy demand. Those units, which consist of all natural gas and oil-fired generators, are referred to as the marginal fossil units. The methodology used the actual metered hourly generation reported to ISO-NE Settlements, and the annual air emissions and emission rates obtained from the U.S. EPA databases, along with other default emission rates. For the time periods investigated, the average air emission rates of all of the assumed marginal fossil units were calculated based on these information sources. The resultant emission rates were assumed to be the *marginal emission rates*. In 2005, monthly emissions from both the U.S. EPA and the NEPOOL GIS were used, when available, to improve the accuracy of the marginal emissions calculations. This methodology was further improved in the

⁷ A ton is equivalent to a U.S. short ton, or 2,000 lb.

2007 MEA Report with the use of hourly emissions data for those units that report hourly emissions to the U.S. EPA.⁸

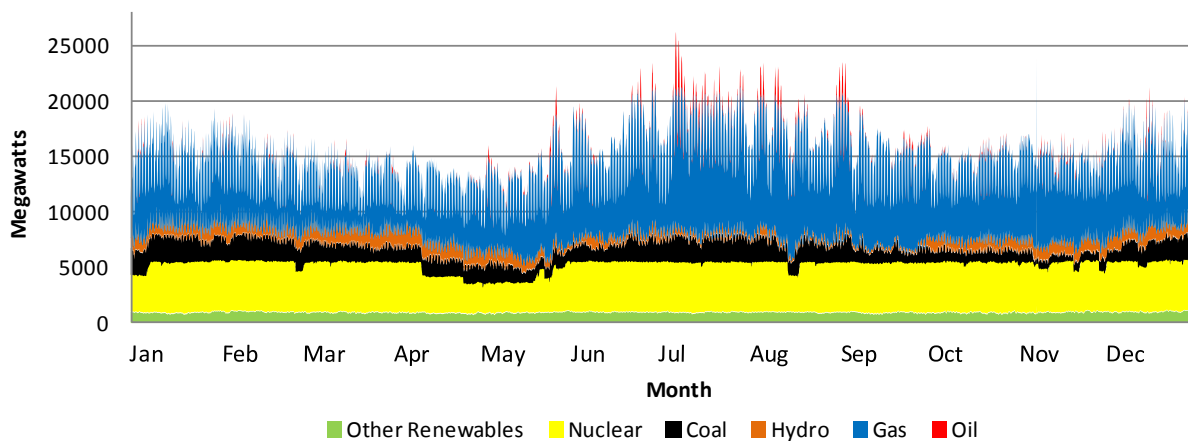
3.2.2. Current Method of Calculating Marginal Emissions

The assumed marginal fossil units, on which the marginal emissions are based, consist of fossil units fueled with oil (including residual, distillate, kerosene, diesel and jet fuel), and/or natural gas. Units fueled with coal, wood, biomass, refuse, or landfill gas are excluded from the calculation, as they typically operate as base-load or non-dispatchable units and would typically not be dispatched at higher levels in the event of higher loads on the system.⁹ Other resources that do not vary in output to serve load changes, such as hydroelectric, pumped storage, wind, and solar, as well as nuclear units, are also excluded from the calculation of marginal emission rates.

In calculating the marginal emission rates, the hourly emissions (lb) for those units in the U.S. EPA CAMD were grouped into on-peak and off-peak periods. When only monthly NEPOOL GIS data or annual eGRID data were available, those emission rates (lb/MWh) were multiplied by the associated monthly on-peak and off-peak generation. The amount of emissions (lb) from each individual generator was added together to obtain the annual total marginal emissions. This quantity was then divided by the total on-peak or off-peak generation to get the corresponding emission rates (lb/MWh) for that time period. In the case of NO_x emission rates, the monthly totals (lb) were grouped into ozone and non-ozone season emissions and divided by the respective ozone and non-ozone season generation.

Figure 3.1 shows the 2010 New England hourly generation and illustrates how natural gas and oil units typically respond to changes in system demand.

Figure 3.1: New England 2010 Hourly Generation



⁸ Generators report emissions to the U.S. EPA under the Acid Rain Program, which covers generators 25 MW or larger, and the NO_x Budget Trading Program, which includes generators 15 MW or greater in the affected states of Connecticut and Massachusetts. (Starting in 2009, the Clean Air Interstate Rule (CAIR) took the place of the NO_x Budget Trading Program.) Generators also report CO₂ emissions to the U.S. EPA under the Regional Greenhouse Gas Initiative.

⁹ In an analysis of whether it would be appropriate to consider coal units as marginal units, it was observed that higher or lower loads would change the number of committed natural gas and/or oil units, while coal units would continue to be dispatched when available. During the low-load troughs of the daily cycle, coal units were seen to be load following. It is reasonable to expect that the coal units would continue to be available for load following during such low-load periods of the night and would likely continue being marginal for purposes of establishing Locational Marginal Prices during those off-peak hours. It was concluded that when comparing cases with higher vs. lower loads, the marginal units for energy and emissions purposes are still largely the oil and natural gas units, not the coal units.

The average NO_x, SO₂, and CO₂ emission rates of the assumed marginal fossil units in each time period analyzed are assumed to be equal to the marginal emission rates. These emission rates are calculated as:

$$\text{Marginal Emission Rate (lb/MWh)} = \frac{\text{Sum of Total Emissions (lb) in Time Period from Marginal Fossil Units}}{\text{Total Energy (MWh) in Time Period from Marginal Fossil Units}}$$

The 2010 marginal air emission rates for on and off-peak periods for New England and for each of the six states have been calculated for this report. The on-peak period, which excludes weekends, is provided to enable typical industrial and commercial users that can provide load response during a traditional weekday to explicitly account for their emissions reductions during those hours. The marginal emission rates for NO_x are calculated for five time periods:¹⁰

- On-Peak Ozone Season (where the Ozone Season is defined as occurring from May 1 to September 30) consisting of all weekdays between 8 A.M. and 10 P.M. from May 1 to September 30
- Off-Peak Ozone Season consisting of all weekdays between 10 P.M. and 8 A.M. and all weekends from May 1 to September 30
- On-Peak Non-Ozone Season consisting of all weekdays between 8 A.M. and 10 P.M. from January 1 to April 30 and from October 1 to December 31
- Off-Peak Non-Ozone Season consisting of all weekdays between 10 P.M. and 8 A.M. and all weekends from January 1 to April 30 and from October 1 to December 31
- Annual average

Since the ozone and non-ozone seasons are only relevant to NO_x emissions, the SO₂ and CO₂ emission rates were only calculated for the following time periods:

- On-Peak Annual consisting of all weekdays between 8 A.M. and 10 P.M.
- Off-Peak Annual consisting of all weekdays between 10 P.M. and 8 A.M. and all weekends
- Annual average

¹⁰ There was a special report titled Analysis of New England Electric Generator's NO_x Emissions on 25 Peak-load Days in 2005-2009 released in 2011 that summarized ISO-NE's effort in conducting an analysis of NO_x emissions during peak days. This report is located at: http://www.iso-ne.com/genrtion_resrcs/reports/emission/peak_nox_analysis.pdf

4. Data and Assumptions

The key parameters and assumptions modeled in the 2010 ISO New England Emissions Report are highlighted in this section. They include weather, emissions data, and installed capacity.

4.1. 2010 New England Weather

Since the demand for energy and peak loads are significantly affected by the weather, it is useful to provide perspective for the changes in emission rates by comparing 2010 total energy use and both cooling and heating degree days to previous years.

A warmer than normal summer in New England produced several peak demand days. June, July and September were warmer than normal. The 2010 summer peak electricity demand of 27,102 MW was 2,002 MW higher than the 2009 summer peak of 25,100 MW. There were 406 cooling degree days, which is 31.8% higher than the 18 year average.¹¹ The net energy for load was 5.8% higher in 2010 than 2009 over the year as a whole and 11.8% higher than 2009 during the ozone season months. With respect to the winter months, there was a decrease of heating degree days.

New England's historical cooling degree days and heating degree days for 1993 through 2010 are shown in Table 4.1. The difference between the cooling and heating degree days for a particular year and the average is also provided.

Table 4.1: New England Total Cooling and Heating Degree Days - 1993 through 2010

Year	Total Cooling Degree Days	Difference from Average (%)	Total Heating Degree Days	Difference from Average (%)
1993	283	-8.1	6,468	5.2
1994	374	21.4	6,403	4.2
1995	312	1.3	6,318	2.8
1996	245	-20.5	6,454	5.0
1997	211	-31.5	6,432	4.6
1998	312	1.3	5,483	-10.8
1999	360	16.9	5,774	-6.1
2000	217	-29.5	6,399	4.1
2001	323	4.9	5,895	-4.1
2002	354	14.9	5,959	-3.1
2003	355	15.3	6,651	8.2
2004	251	-18.5	6,354	3.4
2005	418	35.7	6,353	3.4
2006	335	8.8	5,552	-9.7
2007	288	-6.5	6,175	0.5
2008	281	-8.8	6,049	-1.6
2009	224	-27.3	6,278	2.1
2010	406	31.8	5,653	-8.0

¹¹ Over the 18-year span of 1993 to 2010, the average number of cooling degree days is 308 and the average number of heating degree days is 6,147.

4.2. Emission Rates

Individual generating unit emissions were calculated primarily from the 2010 actual emissions (tons) as reported under the U.S. EPA's Acid Rain Program, NO_x Clean Air Interstate Rule and the Regional Greenhouse Gas Initiative. This information is published on the U.S. EPA's web site under Clean Air Markets data.¹² Hourly EPA emissions data were used for calculating the marginal emission rates. In the 2005 and 2006 MEA Reports, monthly U.S. EPA data rather than hourly data were used for calculating marginal rates. Prior to 2005, the MEA reports used annual data obtained primarily from the U.S. EPA Emissions Scorecard.

For those units that were not required to file emissions data under the Acid Rain Program, Clean Air Interstate Rule or the Regional Greenhouse Gas Initiative, monthly emission rates (lb/MWh) from the NEPOOL Generation Information System (GIS) were used instead. If the data could not be obtained from either of those sources, the Emissions Report analysis used annual emission rates (lb/MWh) from the U.S. EPA's eGRID2010 Version 1.1 data¹³ and, if that information was not available, emission rates based on eGRID data were obtained for similar type units. The emission rates were then multiplied by the 2010 energy generation reported to ISO-NE to obtain the emissions (tons) from each generator.

The U.S. EPA Clean Air Markets data were the primary source of emissions data used for this report. For calculating total system emissions, approximately 95% of the SO₂ emissions and 79% of the CO₂ emissions were based on Clean Air Markets data. For NO_x, Clean Air Markets data were used for 60% of total emissions. For the total marginal emissions, approximately 90% of the SO₂, 94% of the CO₂ and 92% of the NO_x emissions were based on Clean Air Markets data. Note that combined heat and power (CHP) units were included in this analysis. In calculating CHP units' emission rates, the units' emissions were assigned only to electric production and not to the heat generated, which resulted in slightly overestimating the system and marginal emission rates.

¹² The U.S. EPA's Clean Air Markets emissions data can be accessed from <http://www.epa.gov/airmarkets/>.

¹³ The U.S. EPA's eGRID2010 Version 1.1 is located at: <http://www.epa.gov/cleanenergy/energy-resources/egrid/index.html>.

4.3. ISO New England System Installed Capacity

Table 4.2 and Table 4.3 show the total ISO New England generation capacity as obtained from ISO New England's 2011 Capacity, Energy, Loads and Transmission (CELT) Report¹⁴ for the 2010 summer and winter periods, respectively.

The ISO-NE power grid operates as a unified system serving all load in the region. The amount of generation by fuel type and its associated emissions are affected by a number of factors, including forced and scheduled maintenance outages of resources and transmission system elements, fuel and emission allowance costs, imports from and exports to neighboring regions, system peak load and energy consumption, water availability to hydro facilities and for thermal system cooling, and a variety of other factors.

Table 4.2: 2010 New England Summer Capacity^{15, 16}

Unit Type	Connecticut		Massachusetts		Maine		New Hampshire		Rhode Island		Vermont		New England	
	MW	%	MW	%	MW	%	MW	%	MW	%	MW	%	MW	%
Combined Cycle	1,802.1	22.3	5,355.6	44.4	1,242.6	40.5	1,167.6	29.0	1,823.3	99.1	-	-	11,391.2	37.8
Gas Turbine	1,143.6	14.1	655.1	5.4	283.0	9.2	87.7	2.2	-	-	114.1	10.8	2,283.5	7.6
Hydro	88.5	1.1	146.5	1.2	446.9	14.6	416.7	10.3	0.2	0.0	241.6	22.9	1,340.4	4.4
Internal Combustion	31.1	0.4	135.2	1.1	19.2	0.6	3.6	0.1	16.9	0.9	21.8	2.1	227.8	0.8
Nuclear	2,100.8	26.0	677.3	5.6	-	-	1,246.9	31.0	-	-	604.3	57.3	4,629.3	15.4
Pumped Storage	29.4	0.4	568.9	4.7	-	-	-	-	-	-	-	-	598.3	2.0
Fossil Steam	2,895.3	35.8	4,515.3	37.5	1,048.8	34.2	1,100.5	27.3	-	-	72.7	6.9	9,632.6	32.0
Wind & Photovoltaic	-	-	2.7	0.0	30.3	1.0	4.4	0.1	0.3	0.0	0.4	0.0	38.1	0.1
Total	8,090.7	100.0	12,056.5	100.0	3,070.8	100.0	4,027.4	100.0	1,840.7	100.0	1,054.9	100.0	30,141.1	100.0

Table 4.3: 2010 New England Winter Capacity^{15,16}

Unit Type	Connecticut		Massachusetts		Maine		New Hampshire		Rhode Island		Vermont		New England	
	MW	%	MW	%	MW	%	MW	%	MW	%	MW	%	MW	%
Combined Cycle	2,071.0	24.0	6,259.5	43.2	1,349.7	40.3	1,327.0	31.1	2,046.5	99.0	-	-	13,053.7	38.4
Gas Turbine	1,350.4	15.6	894.1	6.2	338.6	10.1	111.8	2.6	-	-	149.5	12.8	2,844.4	8.4
Hydro	112.3	1.3	236.4	1.6	520.9	15.5	466.2	10.9	3.0	0.1	290.5	24.9	1,629.3	4.8
Internal Combustion	31.5	0.4	137.6	1.0	22.9	0.7	3.8	0.1	17.0	0.8	22.8	2.0	235.6	0.7
Nuclear	2,114.3	24.5	684.7	4.7	-	-	1,246.7	29.2	-	-	628.0	53.8	4,673.7	13.8
Pumped Storage	29.0	0.3	1,665.0	11.5	-	-	-	-	-	-	-	-	1,694.0	5.0
Fossil Steam	2,933.4	33.9	4,598.7	31.8	1,054.0	31.4	1,105.0	25.9	-	-	74.7	6.4	9,765.8	28.7
Wind & Photovoltaic	-	-	3.2	0.0	65.3	1.9	8.1	0.2	0.5	0.0	1.4	0.1	78.5	0.2
Total	8,641.9	100.0	14,479.2	100.0	3,351.4	100.0	4,268.6	100.0	2,067.0	100.0	1,166.9	100.0	33,975.0	100.0

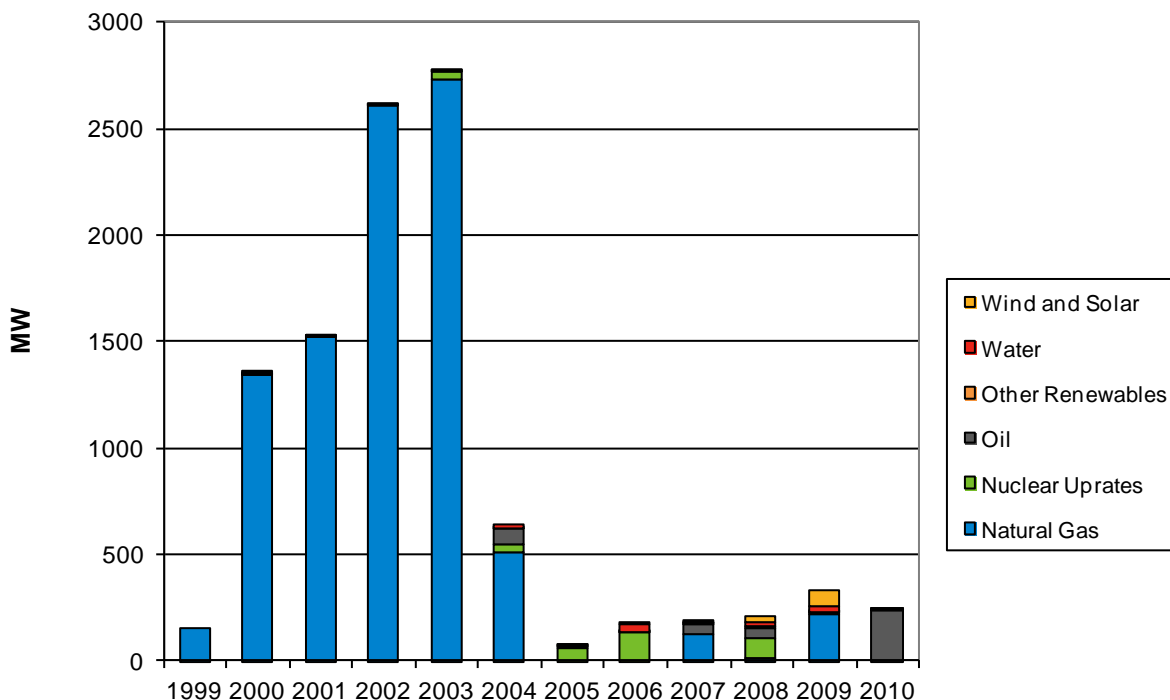
¹⁴ The ISO-NE CELT Report is typically issued in April of each year. The 2011 CELT Report (using the January 1, 2011 ratings) was used in order to completely capture all the new capacity additions that occurred during the prior calendar year 2010. It can be accessed from <http://www.iso-ne.com/trans/celt/report/2011/index.html>.

¹⁵ Sum may not equal total due to rounding.

¹⁶ Season Claimed Capability as of January 1, 2011.

Figure 4.1 illustrates the new capacity that was added to the ISO New England system during 1999 through 2010, 85% of which was gas-fired, combined cycle technologies. From 1999-2004, 9,053 MW of new capacity was added and nearly 100% of the new capacity additions were gas-fired, combined cycle technologies. From 2005-2010, 1,339 MW was added, consisting of a mix of nuclear uprates, and new oil, natural gas, hydro-electric, and other renewable generation. About half of those new additions were combustion turbines capable of firing distillate oil or natural gas.

Figure 4.1 : ISO New England Generator Unit Additions - 1999 through 2010¹⁷

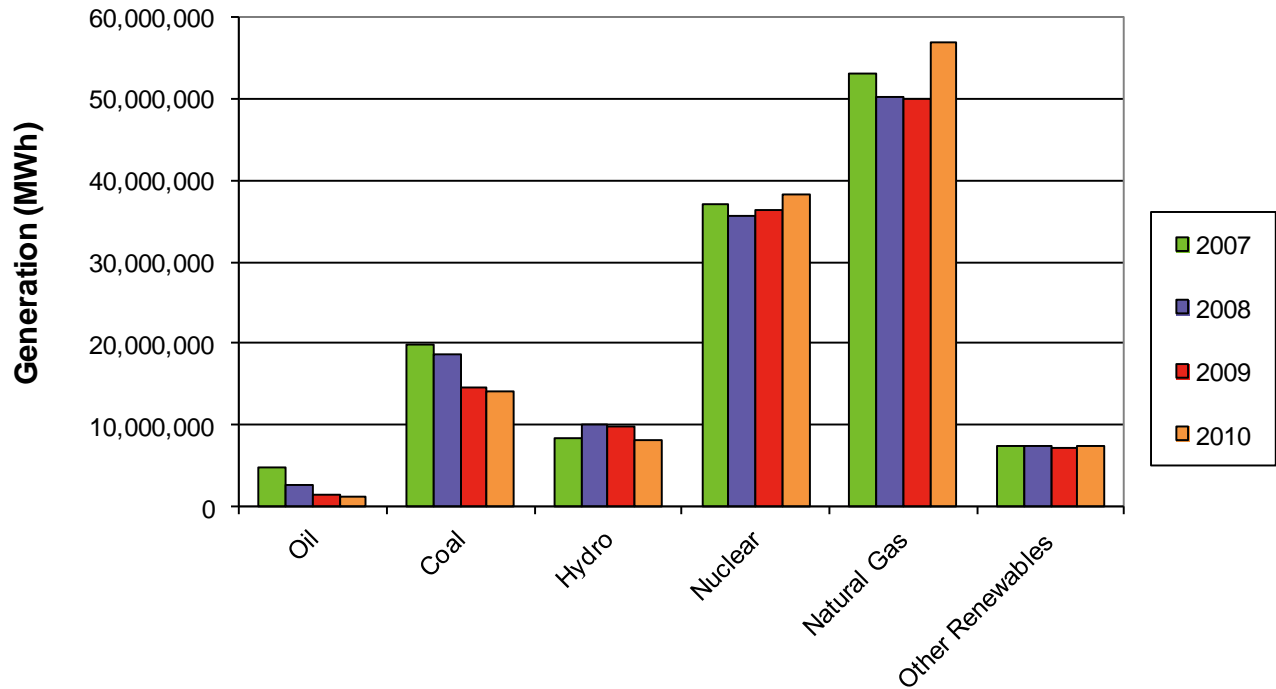


¹⁷ The generator additions and uprate values are based on the seasonal claim capabilities as reported in the ISO-NE CELT Report of the year following the addition.

4.4. ISO New England System Generation

Figure 4.2 shows the generation (MWh) by fuel types from 2007 – 2010, based on the resource’s primary fuel type in the 2011 CELT Report. In 2010, natural gas and nuclear generation were about 6,794 GWh and 2,134 GWh higher than in 2009, respectively. There was a small decrease in both residual oil and coal-fired generation. Hydroelectric generation decreased by 1,729 GWh. Overall, system generation was about 6,954 GWh higher in 2010 than in 2009.

Figure 4.2 : 2007-2010 Generation by Selected Fuel Types



5. Results

5.1. ISO New England System Generator Air Emissions

Table 5.1 shows the aggregate 2010 NO_x, SO₂, and CO₂ air emissions for each state and for all of New England. These emissions were calculated based on the actual generation of all generating units in ISO-NE's balancing authority area¹⁸ and the actual or assumed unit-specific air emissions or emission rates.

Table 5.1: 2010 Calculated ISO New England Electric Generation System Annual Aggregate Emissions of NO_x, SO₂, and CO₂ in kTons¹⁹

State	NO _x	SO ₂	CO ₂
Connecticut	6.03	4.22	10,952
Maine	2.75	1.37	6,133
Massachusetts	12.97	37.79	22,960
New Hampshire	5.89	37.08	7,924
Rhode Island	0.67	0.30	3,707
Vermont	0.49	0.12	645
New England	28.79	80.88	52,321

Table 5.2 shows the aggregate annual NO_x, SO₂, and CO₂ air emissions for the years 2001 through 2010, as calculated based on the actual generation and the actual or assumed air emissions or emission rates. Since 2001, NO_x emissions have dropped by 52% and SO₂ by 60%, while CO₂ has decreased by about 1%.

Table 5.2: 2001 - 2010 Calculated ISO New England Electric Generation System Annual Aggregate Emissions of NO_x, SO₂, and CO₂ in kTons

Year	NO _x	SO ₂	CO ₂
2001	59.73	200.01	52,991
2002	56.40	161.10	54,497
2003	54.23	159.41	56,278
2004	50.64	149.75	56,723
2005	58.01	150.00	60,580
2006	42.86	101.78	51,649
2007	35.00	108.80	59,169
2008	32.57	94.18	55,427
2009	27.55	76.85	49,380
2010	28.79	80.88	52,321
Percent Reduction, 2001-2010	52	60	1

¹⁸ This does not include Northern Maine and the Citizens Block Load located in Northern Vermont, which is typically served by Quebec. These areas are not electrically connected to the ISO-NE Control Area.

¹⁹ Sum may not equal total due to rounding.

Table 5.3 shows the annual average 2010 NO_x, SO₂, and CO₂ air emission rates (lb/MWh), by state and for New England as a whole, calculated based on the actual hourly unit generation of all ISO-NE generating units located within that specific state and the actual or assumed unit-specific air emissions or emission rates.

Table 5.3: 2010 Calculated ISO New England Electric Generation System Annual Average NO_x, SO₂, and CO₂ Emission Rates in lb/MWh

State	NO _x	SO ₂	CO ₂
Connecticut	0.37	0.26	664
Maine	0.43	0.21	962
Massachusetts	0.59	1.73	1,049
New Hampshire	0.53	3.34	713
Rhode Island	0.17	0.08	959
Vermont	0.14	0.03	190
New England	0.46	1.28	829

Table 5.4 illustrates the annual average NO_x, SO₂, and CO₂ air emission rate values (lb/MWh), for the 1999 – 2010 time period. These annual emission rates were calculated by dividing the total air emissions by the total generation from all units. Since 1999, the annual average NO_x emission rate has decreased by 66%, SO₂ by 72%, and CO₂ by 18%.

Table 5.4: 1999-2010 Calculated ISO New England Electric Generation System Annual Average NO_x, SO₂, and CO₂ Emission Rates (lb/MWh)

Year	Total Generation (GWh)	NO _x	SO ₂	CO ₂
1999	104,409	1.36	4.52	1,009
2000	110,199	1.12	3.88	913
2001	114,626	1.05	3.51	930
2002	120,539	0.94	2.69	909
2003	127,195	0.93	2.75	970
2004	129,459	0.78	2.31	876
2005	131,874	0.88	2.27	919
2006	128,046	0.67	1.59	808
2007	130,723	0.54	1.66	905
2008	124,749	0.52	1.51	890
2009	119,282	0.46	1.29	828
2010	123,383	0.46	1.28	829
Percent Reduction, 1999 - 2010		66	72	18

5.1.1. Observations

2010 total energy generation was higher than 2009 total energy generation by 3.4%. This was reflected in the total system emissions of NO_x, SO₂ and CO₂ by increases of 4.5%, 5.2% and 6.0% respectively as calculated using the values from Table 5.2. As shown in Table 5.4, the calculated system emission rates for 2010 have had minimal changes from the 2009 values. The NO_x emission rate had no change, while the SO₂ and CO₂ rates changed less than 1%. The three different emission rates have developed a trend of decrease since 2007.

5.2. 2010 ISO New England Calculated Marginal Heat Rate for the

Prior to 1999, MEA studies assumed a fixed marginal heat rate of 10.0 MMBtu/MWh²⁰ which was used to convert from lb/MWh to lb/MMBtu. In the 1999 – 2003 MEA studies, the marginal heat rate was calculated using the results of production simulation runs. Beginning with the 2004 MEA study, the marginal heat rate was based on the actual generation of marginal fossil units only. Since a unit's heat rate is equal to its fuel consumption divided by its generation²¹, the calculated marginal heat rate is defined as follows:

$$\text{Calculated Marginal Heat Rate} = \frac{\text{Calculated Fuel Consumption of Marginal Fossil Units (MBtu)}}{\text{Actual Generation of Marginal Fossil Units (MWh)}}$$

Beginning with the 2007 MEA Report, the marginal heat rate has been calculated using a combination of both U.S. EPA heat input data and ISO-NE's heat rate data. For those marginal fossil units with U.S. EPA data, the heat inputs reported to U.S. EPA were used. For those units without U.S. EPA data, the heat inputs were calculated by multiplying each unit's monthly generation by the heat rate information collected and maintained by ISO-NE. The individual heat input values using the two methods, in MMBtu, were then added and the sum divided by total generation of the marginal fossil units.

The calculated annual marginal heat rate reflects the average annual efficiency of all of the marginal fossil units dispatched throughout 2010. The lower the marginal heat rate value, the more efficient the system or marginal generator(s) is with respect to converting raw fuel into electric energy.

Table 5.5: Calculated New England Annual Marginal Heat Rate (MMBtu/MWh)

Year	Calculated Marginal Heat Rate (MMBtu/MWh)
1999	10.013
2000	9.610
2001	9.279
2002	8.660
2003	8.249
2004	8.210
2005	8.140
2006	7.667
2007	8.095
2008	7.932
2009	7.774
2010	7.926

The annual calculated marginal heat rates from 1999 to 2010 are shown in Table 5.5 above. The rate has declined over 21% since 1999. The 2010 calculated marginal heat rate of 7.926 (MMBtu/MWh) was used as the conversion factor to convert from lb/MWh to lb/MMBtu for the marginal emission rates in this report.

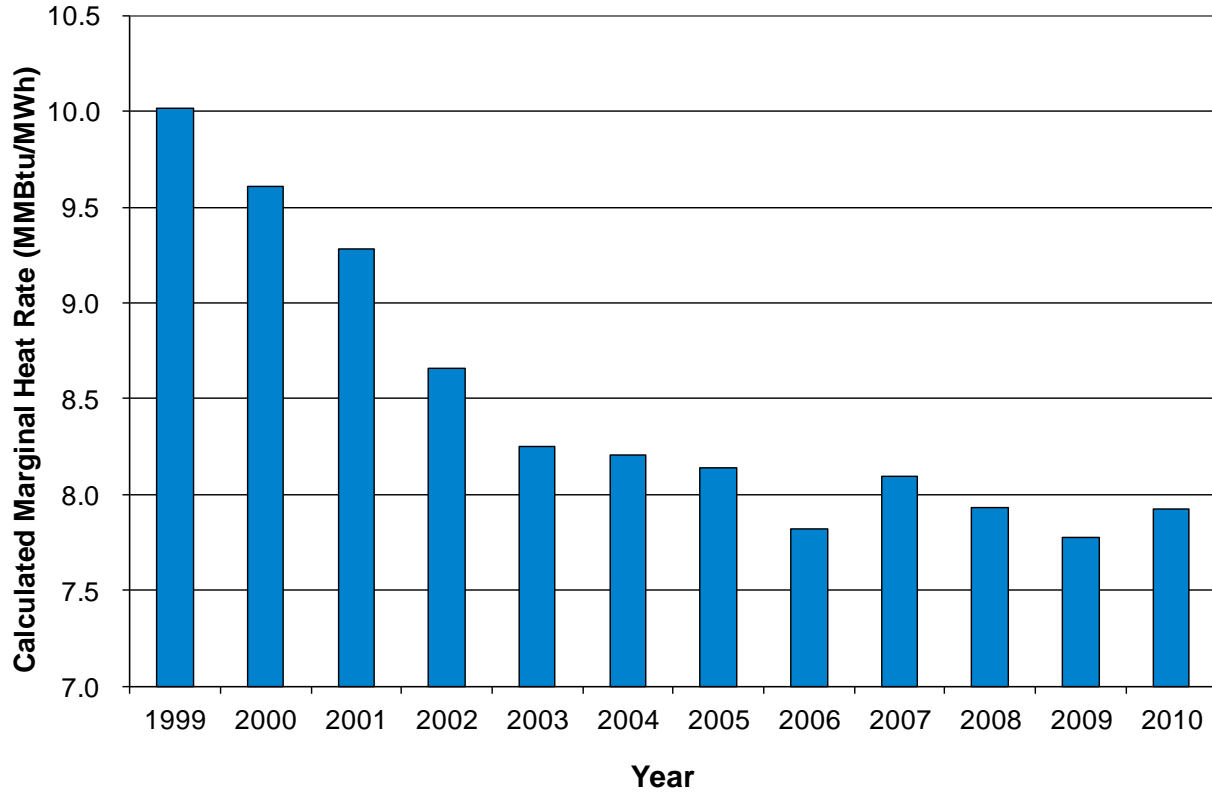
²⁰ 10 MMBtu/MWh is equivalent to 10,000,000 Btu/kWh.

²¹ Heat rate is the measure of efficiency in converting fuel input to electricity. The heat rate for a power plant depends on the individual plant design, its operating conditions, and its level of electrical power output. The lower the heat rate, the more efficient the power plant.

5.2.1. Observations

Overall, the trend of decreasing marginal heat rates has been continuing, with rates declining from 10.013 MMBtu/MWh to 7.926 MMBtu/MWh over the past eleven years. This is primarily due to the addition of over 9,000 MW of natural gas-fired, combined cycle units with higher efficiency, i.e., lower heat rates. Figure 5.1 illustrates the calculated annual marginal heat rate spanning the 1999 – 2010 timeframe.

Figure 5.1: Calculated New England Annual Marginal Heat Rate (MMBtu/MWh)



5.3. 2010 ISO New England Generation Marginal Emission Rates

Table 5.6 shows the NO_x, SO₂, and CO₂ calculated marginal emission rates in lb/MWh for ISO New England's generation system. The NO_x data are provided for each of the five time periods studied. Since the ozone and non-ozone seasons are not relevant to SO₂ and CO₂, only the on-peak, off-peak, and annual rates are provided for those emissions. Table 5.7 shows the same information expressed in lb/MMBtu. As noted earlier, the 2010 calculated marginal heat rate of 7.926 MMBtu/MWh was used as the conversion factor.

Table 5.6: 2010 Calculated New England Marginal Emission Rates (lb/MWh) ^{22,23}

Ozone / Non-Ozone Season Emissions (NO _x)					
Air Emission	Ozone Season		Non-Ozone Season		Annual Average (All Hours)
	On-Peak	Off-Peak	On-Peak	Off-Peak	
NO _x	0.27	0.17	0.14	0.15	0.18
Annual Emissions (SO ₂ and CO ₂)					
Air Emission		Annual			Annual Average (All Hours)
		On-Peak	Off-Peak		
SO ₂		0.13	0.06		0.09
CO ₂		941	945		943

Table 5.7: 2010 Calculated New England Marginal Emission Rates (lb/MMBtu)

Ozone / Non-Ozone Season Emissions (NO _x)					
Air Emission	Ozone Season		Non-Ozone Season		Annual Average (All Hours)
	On-Peak	Off-Peak	On-Peak	Off-Peak	
NO _x	0.034	0.021	0.018	0.019	0.023
Annual Emissions (SO ₂ and CO ₂)					
Air Emission		Annual			Annual Average (All Hours)
		On-Peak	Off-Peak		
SO ₂		0.160	0.008		0.011
CO ₂		119	119		119

5.3.1. Observations

New England's power plant air emissions are directly dependent on the specific units that are available and dispatched to serve load for each hour of the year. Therefore, there could be wide variations in seasonal emissions, primarily due to changes in economic and reliability dispatch, unit availability, fuel consumption, fuel switching, transmission topology, and load levels. The amount of imports, the use of pumped storage and significant generator outages, such as a nuclear unit outage, could also affect emissions.

²² The Ozone Season is defined as occurring between May 1 and September 30, while the Non-Ozone Season is defined as occurring from January 1 to April 30 and from October 1 to December 31.

²³ On-Peak hours consist of all weekdays between 8 A.M. and 10 P.M. Off-Peak hours consist of all weekdays between 10 P.M. and 8 A.M. and all weekends.

In 2010, there was a slight difference between the on-peak and off-peak marginal rates for NO_x, SO₂ and CO₂. The reason for the higher emission rate in NO_x and SO₂ during on-peak hours compared to off-peak hours is most likely that the additional generation that is brought on line to meet the higher demand during on-peak periods generally has higher emission rates. These are typically peaking units that are more expensive or even uneconomic to operate except during high energy price hours, or may be older, fossil-steam resources with higher individual heat rates, i.e., lower thermal efficiency.

5.4. Calculated Historical Marginal Emission Rates

Table 5.8, Table 5.9, and Table 5.10 show the historical calculated marginal emission rates for NO_x, SO₂, and CO₂, respectively, in lb/MWh for the years 1993 through 2010. Table 5.8 shows the ozone and non-ozone season rates, while the SO₂ and CO₂ tables include only the annual average emission rates. All three tables show the annual average percentage change from the previous year. Figure 5.2, Figure 5.3, and Figure 5.4 are graphical representations of Table 5.8, Table 5.9, and Table 5.10 respectively.

Table 5.8: Calculated New England Generation NO_x Marginal Emission Rates (lb/MWh)

Year	Ozone Season		Non-Ozone Season		Annual Average (All Hours)	Annual Average Percentage Change
	On-Peak	Off-Peak	On-Peak	Off-Peak		
1993	4.00	4.50	4.10	5.00	4.40	-
1994	4.50	3.90	4.50	3.90	4.20	-4.5
1995	3.40	2.80	3.50	3.10	3.20	-23.8
1996	2.70	2.40	2.90	2.40	2.60	-18.8
1997	2.60	2.60	2.70	2.60	2.60	0.0
1998	2.20	2.00	2.10	2.10	2.10	-19.2
1999	2.20	2.00	1.90	1.80	2.00	-4.8
2000	2.00	1.80	1.80	1.80	1.90	-5.0
2001	1.90	1.50	1.70	1.60	1.70	-10.5
2002	1.40	0.80	1.50	1.00	1.10	-35.3
2003	0.80	0.30	0.90	0.90	0.70	-36.4
2004	0.48	0.38	0.66	0.59	0.54	-22.9
2005	0.51	0.39	0.62	0.57	0.54	0.0
2006	0.35	0.24	0.30	0.25	0.29	-46.3
2007	0.25	0.20	0.34	0.30	0.28	-3.4
2008	0.23	0.20	0.21	0.22	0.21	-25.0
2009	0.17	0.13	0.19	0.16	0.17	-19.0
2010	0.27	0.17	0.14	0.15	0.18	5.9
% Reduction 1993 - 2010	93.3	96.2	96.6	97.0	95.9	

Table 5.9: Calculated New England Generation SO₂ Marginal Emission Rates (lb/MWh)

Year	Annual Average (All Hours)	Annual Average Percentage Change
1993	12.60	-
1994	9.80	-22.2
1995	7.00	-28.6
1996	9.60	37.1
1997	9.40	-2.1
1998	6.20	-34.0
1999	7.20	16.1
2000	6.20	-13.9
2001	4.90	-21.0
2002	3.30	-32.7
2003	2.00	-39.4
2004	2.03	1.5
2005	1.75	-13.8
2006	0.53	-69.7
2007	0.57	7.5
2008	0.33	-42.1
2009	0.22	-33.3
2010	0.09	-59.1
% Reduction 1993 - 2010	99.3	

Table 5.10: Calculated New England Generation CO₂ Marginal Emission Rates (lb/MWh)

Year	Annual Average (All Hours)	Annual Average Percentage Change
1993	1,643	-
1994	1,573	-4.3
1995	1,584	0.7
1996	1,653	4.4
1997	1,484	-10.2
1998	1,520	2.4
1999	1,578	3.8
2000	1,488	-5.7
2001	1,394	-6.3
2002	1,338	-4.0
2003	1,179	-11.9
2004	1,102	-6.5
2005	1,107	0.5
2006	993	-10.3
2007	1,004	1.1
2008	964	-4.0
2009	930	-3.5
2010	943	1.4
% Reduction 1993 - 2010	42.6	

5.4.1. Observations

Table 5.8 and Table 5.9 show that NO_x marginal emission rates increased by 5.9%, while SO₂ marginal emission rates decreased by 59% between 2009 and 2010. As shown in Table 5.10, CO₂ emission rates increased as well, but only by 1.4%. The relatively large decrease in SO₂ emissions between 2009 and 2010 can primarily be attributed to the overall low amount of generation by residual oil-fired units and increase of natural gas and fueled units in 2010, as seen in Figure 4.2. In 2010, natural gas generation was about 6,794 GWh higher than in 2009.

As compared with 1993, the 2010 SO₂ and NO_x annual marginal rates have declined by over 95% and CO₂ by 43%. This decline is clearly illustrated in Table 5.8, Table 5.9, and Table 5.10. There was a noticeable decrease in the marginal emission rates for NO_x in 1995 primarily due to the implementation of Reasonable Available Control Technology (RACT) regulations for NO_x as required under Title I of the 1990 Clean Air Act Amendments. This trend of decreasing NO_x marginal emission rates continued into the 2008 calendar year. Most of the decrease in emission rates that took place through 2004 can be attributed to the commercial installation of many highly efficient, low-emitting, natural gas-fired combined cycle plants over the last several years in New England (see Figure 4.1). This was combined with the additional emission reductions as required under the Ozone Transport Commission’s 1999 and U.S. EPA’s 2003 NO_x Budget Program. Because few new natural gas-fired power plants have been added since 2004, the decline in marginal NO_x emission rates has tapered off.

Other factors have also contributed throughout the years to the reduction in calculated marginal emission rates. Since 1993, there has been an increase in the availability of New England’s nuclear units as well as increases in some of their capacity ratings, and they have therefore been contributing more toward satisfying the base load electrical demand of the system. This base load nuclear generation offsets generation from those marginal units that tend to have higher emission rates.

Figure 5.2: Historically Calculated New England NO_x Marginal Emission Rates

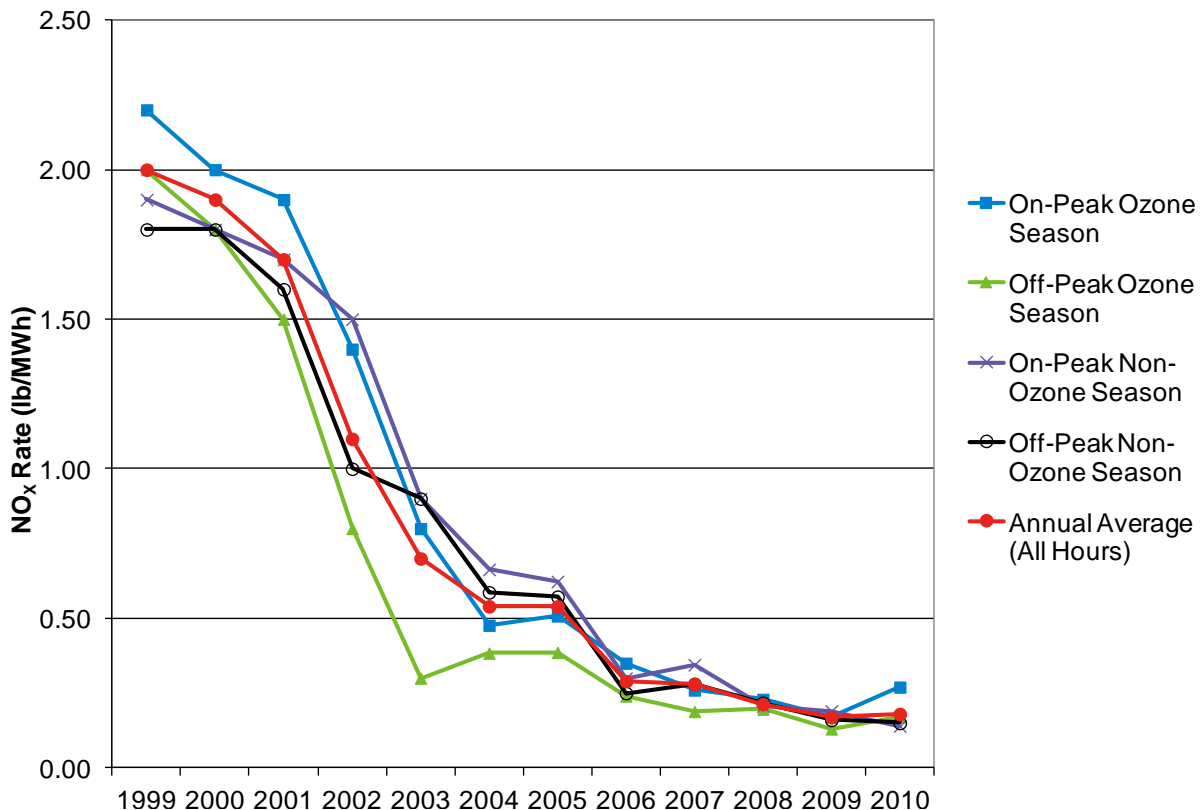


Figure 5.3: Historically Calculated New England SO₂ Marginal Emission Rates

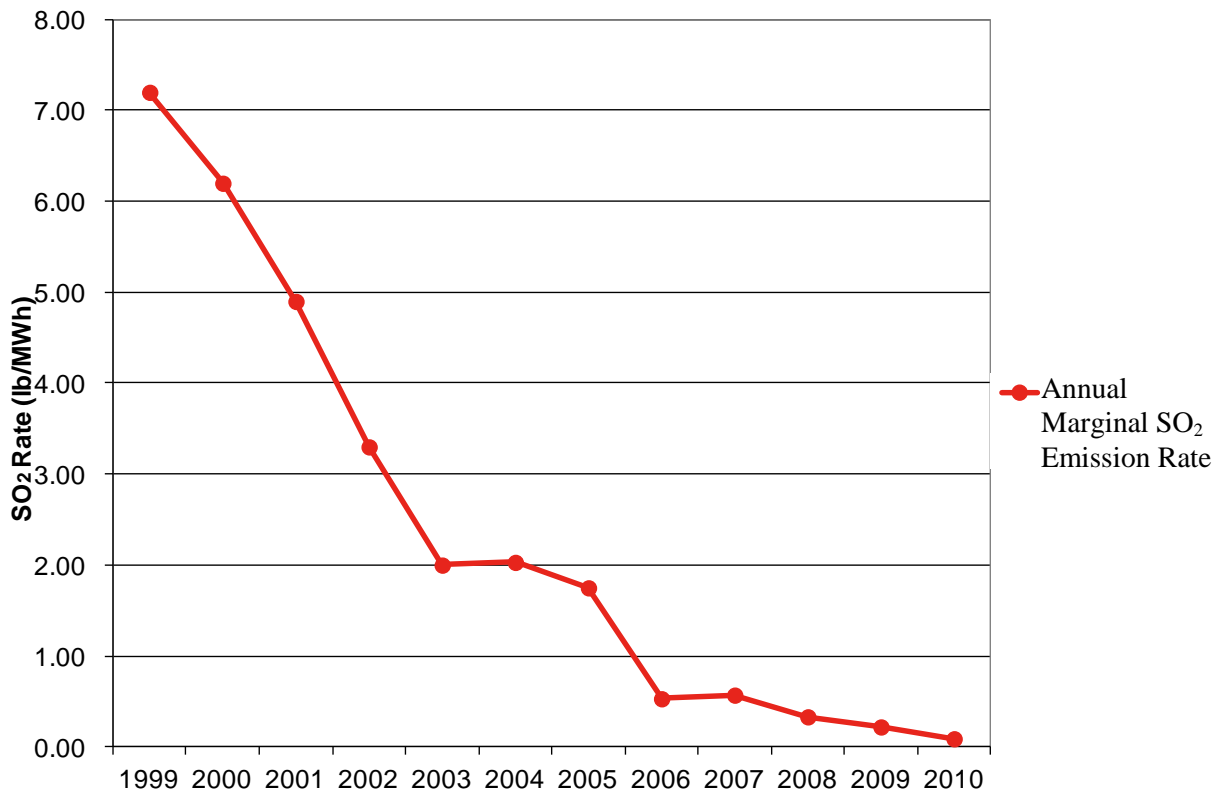
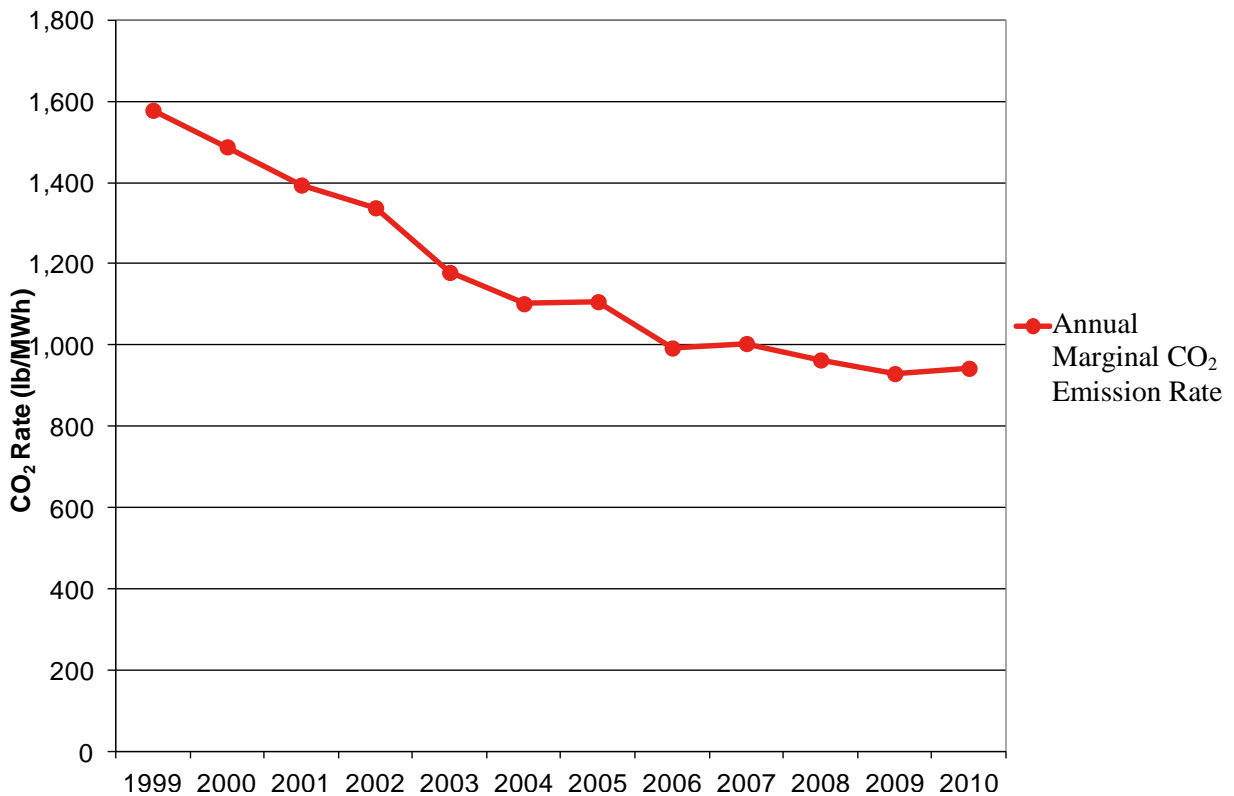


Figure 5.4: Historically Calculated New England CO₂ Marginal Emission Rates



5.5. Calculated Marginal Emission Rates by State

Table 5.11, Table 5.12, and Table 5.13 show the 2010 calculated NO_x, SO₂ and CO₂ marginal air emission rates for each state based on the generation that operated in that state. The NO_x emission rates are broken down into the ozone and non-ozone seasons, and the SO₂ and CO₂ rates are shown for the annual on-peak and off-peak hours.

The type of capacity located within each state is the major factor in the calculated state marginal emission rates. For example, Rhode Island, where 99% of its in-state capacity is gas-fired combined cycle, has much lower marginal emission rates than Vermont, which has the highest. Although the total amount of emissions in Vermont is the lowest in New England, the marginal emission rates are high because the generating units in the marginal fossil category are mostly older, oil-fired, internal combustion engines, and gas turbines.

Table 5.11: 2010 Calculated New England NO_x Marginal Emission Rates by State (lb/MWh)^{24,25}

State	Ozone Season		Non-Ozone Season		Annual Average (All Hours)
	On-Peak	Off-Peak	On-Peak	Off-Peak	
Connecticut	0.45	0.24	0.17	0.16	0.25
Maine	0.21	0.17	0.18	0.20	0.19
Massachusetts	0.26	0.15	0.13	0.11	0.17
New Hampshire	0.18	0.13	0.12	0.14	0.14
Rhode Island	0.14	0.14	0.14	0.20	0.15
Vermont	11.84	6.73	9.31	7.24	10.35
New England Average	0.27	0.17	0.14	0.15	0.18

Table 5.12: 2010 Calculated New England SO₂ Marginal Emission Rates by State (lb/MWh)²⁶

State	Annual On-Peak	Annual Off-Peak	Annual Average (All Hours)
Connecticut	0.18	0.07	0.13
Maine	0.28	0.13	0.21
Massachusetts	0.08	0.04	0.06
New Hampshire	0.16	0.07	0.13
Rhode Island	0.00	0.00	0.00
Vermont	2.21	2.60	2.29
New England Average	0.13	0.06	0.09

²⁴ The Ozone Season is defined as occurring between May 1 and September 30, while the Non-Ozone Season is defined as occurring from January 1 to April 30 and from October 1 to December 31.

²⁵ On-Peak hours consist of all weekdays between 8 A.M. and 10 P.M. Off-Peak hours consist of all weekdays between 10 P.M. and 8 A.M. and all weekends.

²⁶ Actual values may differ from values due to rounding.

Table 5.13: 2010 Calculated New England CO₂ Marginal Emission Rates by State (lb/MWh)

State	Annual On-Peak	Annual Off-Peak	Annual Average (All Hours)
Connecticut	969	930	949
Maine	965	1,032	997
Massachusetts	931	930	931
New Hampshire	918	946	929
Rhode Island	923	932	927
Vermont	2,602	2,980	2,681
New England Average	941	945	943

Error! Reference source not found., Figure 5.6, and Figure 5.7 show the relationship between the average system emission rates in Table 5.3 and the marginal emission rates for NO_x, SO₂, and CO₂ in Table 5.7, Table 5.8, and Table 5.9, during the 1999 – 2010 period.

Figure 5.5: 1999 – 2010 Calculated New England Annual Average System NO_x Emission Rate vs. Marginal NO_x Emission Rate (lb/MWh)

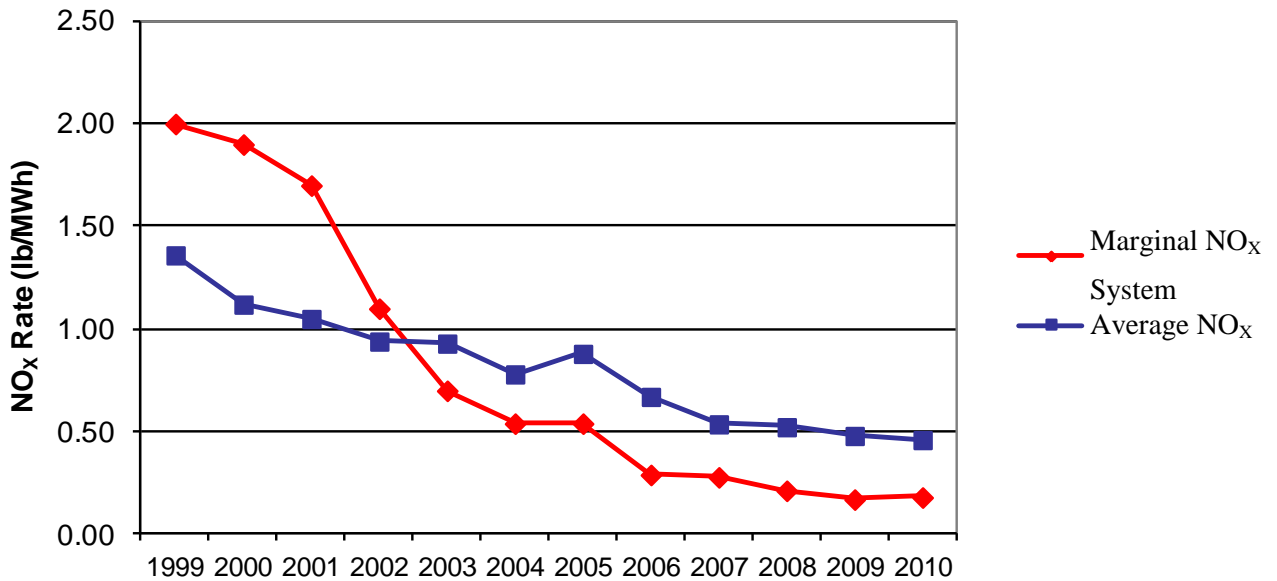


Figure 5.6: 1999 – 2010 Calculated New England Annual Average System SO₂ Emission Rate vs. Marginal SO₂ Emission Rate (lb/MWh)

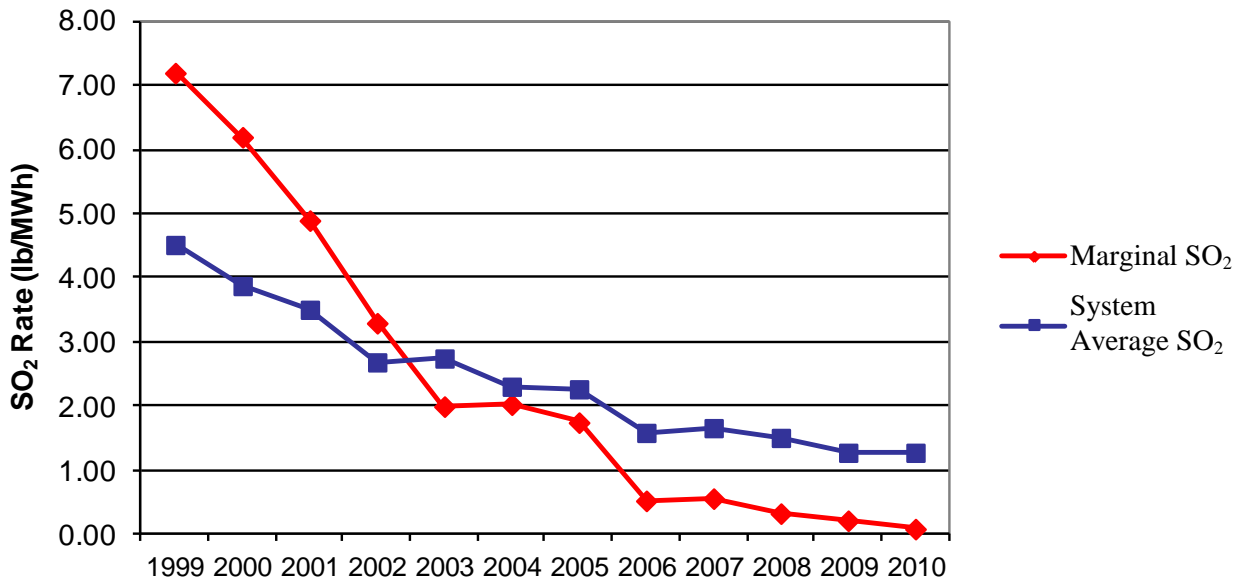
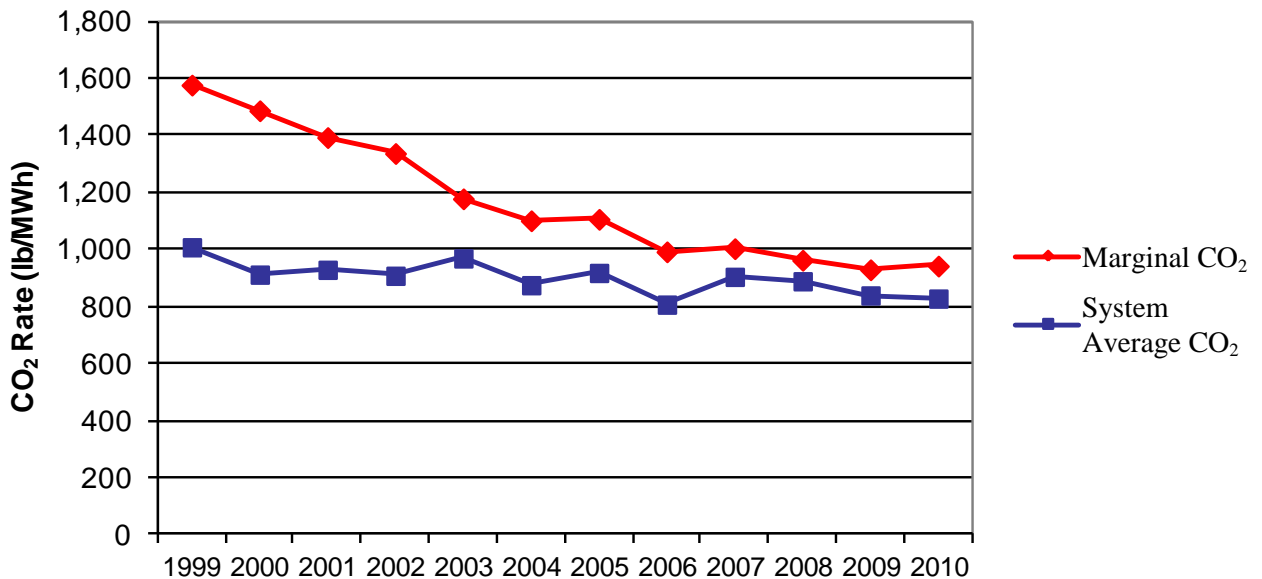


Figure 5.7: 1999 – 2010 Calculated New England Annual Average System CO₂ Emission Rate vs. Marginal CO₂ Emission Rate (lb/MWh)



5.5.1. Observations

During the period from 1999 to 2010, the average system emission rates decreased for both NO_x and SO₂, but at a slower rate than the marginal emission rates for those same pollutants. In fact, the marginal emission rates for NO_x and SO₂ were initially higher than the system emission rates for those pollutants, but due to their relatively fast decline, have been lower than the system rates since 2003.

The CO₂ average system emission rate decreased by about 18% between 1999 and 2010, while the CO₂ marginal emission rate declined 40% during that same period. This was caused by increased load growth and demand for fossil-based energy that was counteracting the lower marginal CO₂ rates as new units were added. Unlike the SO₂ and NO_x marginal emission rates, the CO₂ marginal emission rate has remained higher than the system emission rate during the entire period from 1999 through 2010. However, the CO₂ marginal emission rate has been decreasing more quickly than the system average emission rate over the past nine years, and the two rates were similar in 2010.

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