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05/04/2004 09:13 AM

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Subject Re: IPM Model

Thanks for the e-mail. It has helped clarify your needs. I have passed your e-mail onto the Office of Atmospheric Programs group here in EPA who runs the IPM model. You should be receiving a call from Roman Kramarchuk in a few days.

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04/29/2004 09:44 AM
To: Ron
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Subject: IPM Model

Mr. Evans:

Thank you for taking the time to visit with me concerning the IPM model. Burns & McDonnell is serving as the Surface Transportation Board's third-party contractor for supplemental studies on the Powder River Basin Expansion Project EIS. The following summarizes the air quality issues for which we are investigating the potential for various models to provide us useful information for our analysis.

The Powder River Basin Project is proposed by the Dakota, Minnesota & Eastern Railroad as a new rail line construction into the PRB coal fields of Wyoming. It would provide a third rail carrier (in addition to UP and BNSF) access to the regional coal mines. Additionally, DM&E would provide substantially shorter routes for coal transportation to utilities in the upper Midwest (MN, WI, MI, potentially IA, MO). It would also have access to eastern and Ohio River markets via Chicago. However, to these markets the mileage saving would be minimal.

In light of the potential transportation cost savings associated with this project, it has been determined reasonable that changes in use of PRB coal could occur. For example, a current generating station that is not using PRB coal or only a percentage, may convert or increase the percentage due to cost savings. Additionally, a utility may decide to construct a new coal-fired generating station instead of natural gas or other fuel type due to cheaper coal. These changes in coal consumption would not occur "but for" the proposed project. Therefore, as part of the EIS analysis, the STB will evaluate the potential air quality impacts associated with this increased availability and use of PRB coal.

The two primary questions it appears we need to address are:

- 1) How much PRB coal would be used solely as a result of this project, considering such things as the current use of PRB coal in DM&E's target market (upper Midwest), DM&E's ability to only move a maximum of 100 million tons of coal per year, and the projections for increases in energy demand and new coal generation already predicted to occur.
- 2) Where would the new coal be used, and how much at a particular location, in order to determine the emissions from the additional coal and the potential air quality impacts, in light of current emissions control technologies and air quality regulations.

After our conversation, it seems that your IPM model has the capability to address these questions. I would appreciate if you or someone on your staff could provide additional information on the capabilities and applications of this model, as well as assess its suitability for our needs. Some additional questions I have include:

Potential time and cost to address the above questions

What type of deliverable could we expect to receive upon completion of the modeling?

How does this model compare with the Energy Information Administrations NEMS model?

Are there other models, used by EPA, other agencies, or the private sector that you are aware of that we should consider?

What would be required to coordinate with your office to use the IPM model?

Again, thank you for taking the time to visit with me on this issue. I'm sure as things progress, additional questions will arise. I very much appreciate you looking into my additional questions and look forward to hearing from you. If you have any questions, or I can provide additional information or explanation, please don't hesitate to contact me.

Steve Thornhill

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