



**U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION
Air Traffic Organization Policy**

**ORDER
JO 1050.23A**

Effective Date:
02/14/2018

SUBJ: Restriction on Peak Shaving Agreements

1. Purpose of This Order. This order restricts the use of peak shaving agreements at Air Traffic Organization (ATO) facilities unless reviewed and approved by an ATO environmental professional.

2. Audience. This order applies to ATO facilities and organizations that operate engine generators in support of National Airspace System operations.

3. Where Can I Find This Order. You can find an electronic copy of this order on the Directives Management System (DMS) website: https://employees.faa.gov/tools_resources/orders_notices/. Or go to the MyFAA Employee website, select 'Tools and Resources', then select 'Orders and Notices'.

4. What This Order Cancels. FAA Order JO 1050.23, Restriction on Peak Shaving Agreements, dated May 30, 2012, is replaced by this order.

5. Explanation of Policy Changes. This revision does not contain significant policy changes. The revision provides only minor clarifications and updates.

6. Requirements.

a. ATO facilities are restricted from entering into new or renewed peak shaving agreements with a utility or otherwise use engines to generate electricity in non-emergency situations unless an ATO environmental professional reviews the specifications of the engine and determines that the engine would meet applicable Environmental Protection Agency (EPA), state, and local emission standards.

b. For existing peak shaving agreements, Technical Operations staff must work with ATO environmental professionals to determine whether the agreement would violate air emission standards or the requirements of any applicable state and/or local air emission permits. Where an existing peak shaving agreement violates air emission standards, Technical Operations staff must work with the corresponding utility specialist or contracting officer to discontinue the agreement.

c. The requirements of this order do not apply to demand response agreements that serve exclusively to avert power interruptions due to extreme demand (e.g., rolling blackouts), as opposed to peak shaving agreements, which are financially motivated. Demand response agreements do not affect the emergency status of an engine generator as long as the hours of operation are limited to less than 15 hours/year.

7. Distribution. This order will be distributed electronically.

8. Background.

a. In 2010, the EPA published regulations codified in 40 CFR Part 63, Subpart ZZZZ requiring existing engine generators that are used for non-emergency applications, including peak shaving, meet stringent emissions standards. Existing ATO engine generators that are used for emergency applications only, are not subject to these emission standards. However, if more stringent standards for non-emergency engines were applicable, most existing engines at ATO facilities would not be able to meet them without substantial retrofit and installation of emission control equipment. Therefore, it is important to retain the emergency use status for these engine generators.

b. Emergency engine generators are defined by EPA as “any stationary internal combustion engine whose operation is limited to emergency situations and required testing and maintenance. Examples include stationary reciprocating internal combustion engines (RICE) used to produce power for critical networks or equipment (including power supplied to portions of a facility) when electric power from the local utility (or the normal power source, if the facility runs on its own power production) is interrupted, or stationary RICE used to pump water in the case of fire or flood, etc.

c. “Peak shaving” is the process of reducing the amount of energy purchased from the utility company during peak hours when the charges are highest. In a peak shaving agreement, participants in the program have a contract with the utility to turn down their consumption or to supplement power generation supply to the grid (e.g., by turning on their engine generators) at the request of the utility. Utility companies provide financial incentives for such agreements. Stationary RICE used for peak shaving are not considered emergency stationary RICE (40 CFR §63.6675). If an organization uses an engine generator in a peak shaving agreement, the EPA will no longer consider the engine generator to be for emergency use. The engine generator will be subject to more stringent emission standards.



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