



Mr. David Conroy, Chief  
Air Programs Branch  
Office of Ecosystem Protection  
U.S. EPA, EPA New England  
One Congress Street, Suite 1100  
Mail Code CAB  
Boston MA 02114-2023

Re: Revision of Connecticut's State Implementation Plan for Air Quality  
for Consent Order Modifications

Dear Mr. Conroy:

By this correspondence, pursuant to 40 CFR 51.102, Connecticut formally requests United States Environmental Protection Agency ("EPA") revise Connecticut's State Implementation Plan ("SIP") for Air Quality as explained in this letter and enclosed supporting materials. This revision will incorporate two Consent Order Modifications into Connecticut's SIP and make such revision federally enforceable.

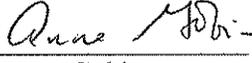
The proposed revision to the SIP was subject to public hearing procedures to satisfy the requirements of 40 CFR 51.102. Evidence of the public hearing is enclosed as follows:

- Exhibit 1, public notice of hearing that was posted with the other public notices on the Department of Energy and Environmental Protection web site at <http://www.ct.gov/dep/cwp/view.asp?A=2586&Q=509520>;
- Exhibit 2, letters to directors of air quality in affected states, EPA, and regulated sources;
- Exhibit 3, delegation of hearing officer, hearing certification and hearing report; and
- Exhibit 4, Consent Order Modifications and SIP narrative.

Please do not hesitate to contact Elizabeth McAuliffe, Environmental Analyst, at (860) 424-3702 should you or your staff have any questions or comments regarding this matter.

Sincerely yours,

October 31, 2013  
Date

  
Anne Gobin  
Chief  
Bureau of Air Management

Enclosures

cc: Ms. Anne Arnold, U.S. EPA, EPA New England



**Exhibit 1**  
**Public Notice of Hearing**





**Notice of Intent to  
Revise the State Implementation Plan for Air Quality**

The Commissioner of Environmental Protection hereby gives notice of a public hearing as part of a State Implementation Plan revision proceeding. These revisions will be submitted to the U.S. Environmental Protection Agency (EPA) for their review and approval as a revision to the State Implementation Plan (SIP) for air quality as required by the Clean Air Act Amendments of 1990 (CAA). The public hearing will address Trading Agreement and Order 8187 Modification 1 and Trading Agreement and Order 8242 Modification 1 for PSEG Power Connecticut LLC.

The purpose of this revision is to allow modifications to the use restrictions for continuous emissions reductions credits of oxides of nitrogen emissions. The continuous emissions reductions credits of oxides of nitrogen emissions were approved under the requirements of Section 22a-174-22 of the Regulations of Connecticut State Agencies.

All interested persons are invited to submit comments on the proposed amendments to the Department of Energy and Environmental Protection (DEEP), Bureau of Air Management, Engineering & Enforcement Division, 79 Elm Street, Hartford, Connecticut 06106-5127. All comments should be directed to the attention of Elizabeth McAuliffe and must be received by 4:30 PM on October 19, 2012. Comments may be submitted by post, or by electronic mail to [elizabeth.mcauliffe@ct.gov](mailto:elizabeth.mcauliffe@ct.gov).

In addition to accepting written comments, DEEP will also hold the public hearing described below. The Commissioner requests that any person giving oral comment at the hearing also submit a written copy of such comments.

**PUBLIC HEARING**  
**October 19, 2012 at 10:30AM**  
**Department of Energy and Environmental Protection, 5th Floor, Holcombe Room**  
**79 Elm Street, Hartford, CT**

Copies of the proposed revision are available for public inspection during normal business hours and may be obtained from Elizabeth McAuliffe at the Bureau of Air Management, Engineering & Enforcement Division, 5th Floor, 79 Elm Street, Hartford, Connecticut. The same documents are posted on DEEP's website at the following location: <http://www.ct.gov/dep/publicnotices>. For additional information, contact Elizabeth McAuliffe of the Bureau of Air Management at (860) 424-4152 or [elizabeth.mcauliffe@ct.gov](mailto:elizabeth.mcauliffe@ct.gov).

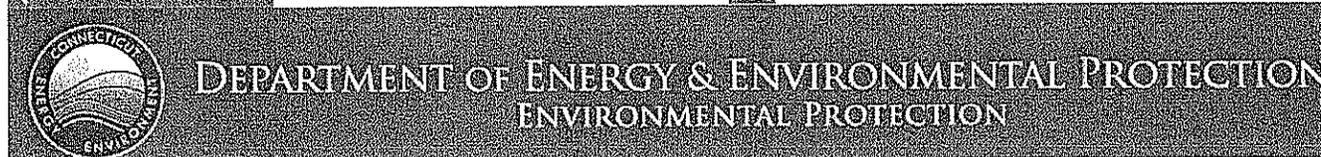
DEEP is an affirmative action/equal opportunity employer and service provider. In conformance with the Americans with Disabilities Act, DEEP makes every effort to provide equally effective

services for persons with disabilities. Individuals with disabilities who need this information in an alternative format, to allow them to benefit from and/or participate in DEEP's programs and services, should call 860-424-3035 or e-mail the ADA Coordinator, at [DEP.aaoffice@ct.gov](mailto:DEP.aaoffice@ct.gov). Persons who are hearing impaired should call the State of Connecticut relay number 711. Requests for accommodations must be made at least two weeks prior to the program date.

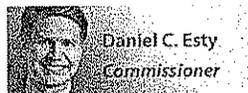
This notice is required pursuant to 40 Code of Federal Regulations 51.102.

8/14/12  
Date

  
for Daniel C. Esty  
Commissioner  
Mackey McCleary  
Deputy Commissioner



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Daniel C. Esty  
Commissioner

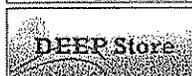
#### Main Menu

Outdoor Recreation  
Natural Resources  
Air, Land, & Water  
Materials & Waste Management  
Permits & Licenses  
Laws & Regulations  
Public Participation  
Education  
Maps and Spatial Data  
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## Notice of Intent to Revise the State Implementation Plan for Air Quality

The Commissioner of Environmental Protection hereby gives notice of a public hearing as part of a State Implementation Plan revision proceeding. These revisions will be submitted to the U.S. Environmental Protection Agency (EPA) for their review and approval as a revision to the State Implementation Plan (SIP) for air quality as required by the Clean Air Act Amendments of 1990 (CAA). The public hearing will address Trading Agreement and Order 8187 Modification 1 and Trading Agreement and Order 8242 Modification 1 for PSEG Power Connecticut LLC.

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In addition to accepting written comments, DEEP will also hold the public hearing described below. The Commissioner requests that any person giving oral comment at the hearing also submit a written copy of such comments.

#### PUBLIC HEARING

October 19, 2012 at 10:30AM

Department of Energy and Environmental Protection, 5th Floor, Holcombe Room  
79 Elm Street, Hartford, CT

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This notice is required pursuant to 40 Code of Federal Regulations 51.102

[SIP description and modifications \(PDF\)](#)

[Printable Version](#)

79 Elm Street, Hartford, CT 06106-5127 / Phone: 860-424-3000

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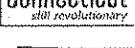
DEP: Public Notices, Proposed Actions, Opportunity for Comment, Windows Internet Explorer

http://www.ct.gov/deep/wpts/owse.asp?o=2586&depNav\_CD=1511

File Edit View Favorites Tools Help

DEP: Public Notices, Proposed Actions, Opportunity for Comment





11/29/2011 **Notice of Intent to Amend the Boating Safety Regulations to Establish a Vessel Length Limit on Candlewood Lake**  
 Notice of intent to amend Section 15-121-815a of the Regulations of the Connecticut State Agencies to establish a vessel length limit on Candlewood Lake.  
 Notice of availability of regulations - June 6, 2012

9/6/2011 **Notice of Intent to Amend Regulations - Designated Recycling Items**  
 Notice of Intent to Amend Regulations for Designated Recycling Items.  
 Notice of availability of regulations - February 10, 2012.

05/16/2011 **Notice of Intent to Amend Hunting Regulations**  
 Proposed regulation to address the time frame when archers must wear fluorescent orange, the start and end date of various seasons, and details pertaining to the use of a revolver while deer hunting.  
 Public hearing held on June 27, 2011.

10/12/2010 **Notice of Intent to Amend the Regulations Regarding the State Board of Examiners of Environmental Professionals; Notice of Public Hearing**  
 The Connecticut Department of Environmental Protection is proposing various amendments to the regulations regarding the State Board of Examiners of Environmental Professionals in response to Public Acts 08-6, 06-76, 07-81 and 09-2. In addition, several technical revisions are also proposed.  
 Hearing Officer's Report available

02/04/2010 **Notice of Intent to Adopt Reporting of Releases Regulations and to Hold a Public Hearing**  
 Notice of intent to adopt sections 22a-450(d)-1 through 22a-450-6 of the Regulations of Connecticut State Agencies. Informational session to be held on September 22, 2010.  
 Public Hearing to be held on October 5, 2010.  
 Written comments due by October 5, 2010

07/20/2010 **Notice of Intent to Amend the Underground Storage Tanks Regulations and Notice to Hold a Public Hearing**  
 Notice of intent to amend sections 22a-449(d)-1, 22a-449(d)-201, 22a-449(d)-102 and 22a-449(d)-106 of the Regulations of Connecticut State Agencies.  
 Public Hearing was held on July 29, 2011.  
 Hearing Officers Report Available

**Proposed State Implementation Plan (SIP) Revisions**

07/01/2012 **Notice of Intent to Revise the State Implementation Plan for Air Quality**  
 Notice of intent to revise the State Implementation Plan for Air Quality to remove certain restriction on the use of continuous emissions reduction credits by way of issuance of modifications to tox trading orders.  
 Written comments due by October 19, 2012 until 4:00 p.m.  
 Public hearing to be held on October 19, 2012 at 10:30 a.m.

**Proposed Individual Permits**

07/16/2012 **IBM Corporation - Notice of Tentative Determination to Approve NPDES Permit (Southbury)**  
 Tentative determination to renew a permit for discharge to the Pomperaug River in the town of Southbury.  
 Written comments due by September 16, 2012

07/16/2012 **Convent of the Sacred Heart School Greenwich Incorporated - Notice of Tentative Determination to Approve NPDES Permit (Greenwich)**  
 Tentative determination to renew a permit for discharge to the Byram River Watershed in the town of Greenwich.  
 Written comments due by September 16, 2012

07/15/2012 **Town of New Hartford - Notice of Tentative Determination to Approve NPDES Permit Renewal (New Hartford)**  
 Tentative determination to renew a permit to discharge to the Farmington River in the town of New Hartford.  
 Written comments due by September 15, 2012

07/10/2012 **Richard & Derylle Connelly - Notice of Tentative Determination (Westbrook)**  
 Notice of tentative determination to approve an application submitted by Richard & Derylle Connelly to install and maintain a septic and steps.  
 Written comments due by September 9, 2012

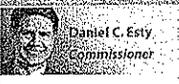
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### SIP Revisions and Other State Air Quality Plans

- Air**
- Air Monitoring
- Air Permitting
- Air Quality and Health Effects
- Air Quality Planning
- Air Regulations
- Compliance Assurance
- Emissions Inventory
- Mobile Sources
- Working Together for Clean Air
- Environmental Protection Begins With You
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- Main Menu
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- DEEP Store

Federal Citation	SIP Revisions	Support Documents	Status
50 CFR Part 51.102	<a href="#">Modifications to Trading Agreements and Orders 8187 and 8249 to remove certain restriction on the use of continuous emission reduction results</a>	Information provided within SIP Revision link to the left	Hearing to be held October 19, 2012
Clean Air Act Sections 107(c)(3)(E) and 175A	<a href="#">Fine Particulate Matter (PM2.5) Reduction Request and Maintenance SIP</a>	Information provided within SIP Revision link to the left	Submitted to EPA June 22, 2012
40 CFR 51.102 & R.C.E.A. Sec. 22a-174-22 & 32	Final Submission NOx & VOC Orders	<a href="#">Submission Package (PDF)</a>	Submitted to EPA November 23, 2011
Clean Air Act Section 110(a)(1) and (2)	<a href="#">Adequacy Determination of the Open-pit State Implementation Plan with Hazard for the 2008 Lead NAAQS (PDF)</a>	Information provided within SIP Revision link to the left	Submitted to EPA October 14, 2011
40 CFR 51.208(b) & (e)	<a href="#">Regional Haze SIP (Final)</a>	<a href="#">SIANS-VU Reports</a>	Submitted to EPA November 15, 2009
EPA Control Techniques Guidelines	<a href="#">Reasonably Available Control Technology Update</a>	<a href="#">Control Measures Guidance Documents</a>	Public Hearing held August 27, 2009 Final Proposal Pending
Clean Air Act, Sec. 172(c) & 110 (a)(1) & (2)	<a href="#">Fine Particulate Matter (PM 2.5) Attainment Demonstration</a>	Information provided within SIP Revision link to the left	Submitted to EPA November 18, 2008
Clean Air Act, Sec. 110 (a)(1)(B)(2)	<a href="#">Adequacy Determination for Infrastructure Elements: 1997 NAAQS for Fine Particulate Matter</a>	Information provided within SIP Revision link to the left	Approved by EPA for compliance October 23, 2008
Clean Air Act, Sec. 172 (c) & 102(a)(2)	<a href="#">2007 Prolonged Ozone and Carbon Monoxide Emissions Inventory (PDF, 4.1 MB)</a>	Information provided within SIP Revision link to the left	Submitted to EPA February 1, 2008
Clean Air Act, Sec. 172 (b) & 102(c)	<a href="#">8-hour Ozone Attainment Concentration</a>	Information provided within SIP Revision link to the left	Submitted to EPA February 1, 2008
Clean Air Act, Sec. 110 (a) (1) & (2)	<a href="#">Program Infrastructure Adequacy Determination for the CT SIP for the 8-hour Ozone NAAQS (PDF)</a>	Information provided within SIP Revision link to the left	Approved by EPA for compliance March 27, 2008
40 CFR 51 Subpart B	<a href="#">Final 2007 Inspection and Maintenance Program SIP Revision (PDF, 14 MB)</a>	Information provided within SIP Revision link to the left	Approved by EPA for compliance December 3, 2008



**Exhibit 2**  
**Letters to Affected States, EPA, and Regulated Sources**



## **McAuliffe, Elizabeth**

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**From:** McAuliffe, Elizabeth  
**Sent:** Friday, August 17, 2012 1:34 PM  
**To:** 'conroy.dave@epa.gov'; 'nancy.seidman@state.ma.us'; 'djshaw@gw.dec.state.ny.us'; 'doug.mcvay@dem.ri.gov'; 'Bill.O'Sullivan@dep.state.nj.us'  
**Subject:** RE: Trading Order Modifications - Notice of a Connecticut Department of Energy and Environmental Protection Revision to the State Implementation Plan for Air Quality

### ***Notice of a Connecticut Department of Energy and Environmental Protection Revision to the State Implementation Plan For Air Quality***

In accordance with the provisions of Title 40 Code of Federal Regulations Section 51.102, I am sending you a link to information concerning Connecticut's proposed revision to the State Implementation Plan for Air Quality.

The revision will address Trading Agreement and Order 8187 Modification 1 and Trading Agreement and Order 8242 Modification 1 for PSEG Power Connecticut LLC. The purpose of this revision is to allow modifications to the use restrictions for continuous emissions reductions credits of oxides of nitrogen emissions. The continuous emissions reductions credits of oxides of nitrogen emissions were approved under the requirements of Section 22a-174-22 of the Regulations of Connecticut State Agencies.

The notice and proposal are available on the Department's website at the following link:  
<http://www.ct.gov/dep/cwp/view.asp?A=2586&Q=509520>

Please feel free to comment on this information as provided in the notice.

Elizabeth I. McAuliffe  
Engineering & Enforcement Division  
Bureau of Air Management  
Connecticut Department of Energy and Environmental Protection  
79 Elm Street, Hartford, CT 06106-5127  
P: 860-424-3458 | E: [elizabeth.mcauliffe@ct.gov](mailto:elizabeth.mcauliffe@ct.gov)



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[www.ct.gov/deep](http://www.ct.gov/deep)

*Conserving, improving and protecting our natural resources and environment;  
Ensuring a clean, affordable, reliable, and sustainable energy supply.*



## **McAuliffe, Elizabeth**

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**From:** McAuliffe, Elizabeth  
**Sent:** Friday, August 17, 2012 1:21 PM  
**To:** 'Silvestri, Robert'  
**Subject:** Notice of a Connecticut Department of Energy and Environmental Protection Revision to the State Implementation Plan for Air Quality  
**Attachments:** Electronic notice to Region 1 and states.doc

Bob:

***Notice of a Connecticut Department of Energy and Environmental Protection  
Revision to the State Implementation Plan for Air Quality***

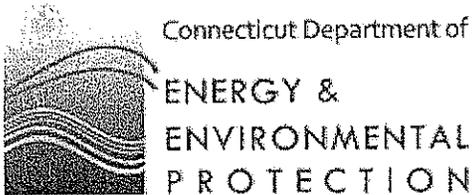
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Please feel free to comment on this information as provided in the notice.

Elizabeth I. McAuliffe  
Engineering & Enforcement Division  
Bureau of Air Management  
Connecticut Department of Energy and Environmental Protection  
79 Elm Street, Hartford, CT 06106-5127  
P: 860-424-3458 | E: [elizabeth.mcauliffe@ct.gov](mailto:elizabeth.mcauliffe@ct.gov)



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Ensuring a clean, affordable, reliable, and sustainable energy supply.*



**Exhibit 3**  
**Delegation of Hearing Officer**  
**Hearing Certification**  
**Hearing report**





### Delegation of Hearing Officer

In accordance with the provisions of section 22a-2 of the Connecticut General Statutes, Elizabeth McAuliffe of the Bureau of Air Management is hereby appointed as Hearing Officer. The purpose of this delegation is to allow said Officer to conduct a hearing on October 19, 2012, and to render a proposed decision regarding a proposed revision of the State Implementation Plan (SIP) for air quality required by the Clean Air Act Amendments of 1990 (CAA). This SIP revision will be submitted to the U.S. Environmental Protection Agency (EPA) for review and approval pursuant to CAA.

8/14/12

Date:

For Daniel C. Esty  
Commissioner

Mack McLerran  
Deputy Commissioner

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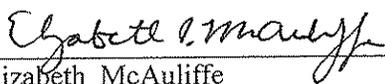
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## HEARING CERTIFICATION

This is to certify that in accordance with the provisions of Title 40 Code of Federal Regulations Part 51.102, the following actions occurred:

1. On August 16, 2012, the Department of Energy and Environmental Protection (Department) caused to be published a notice of intent to revise the State Implementation Plan for Air Quality (SIP).
2. In accordance with such notice, materials related to the public hearing were available for inspection on the web site at <http://www.ct.gov/dep/cwp/view.asp?A=2586&Q=509520> , [http://www.ct.gov/dep/cwp/view.asp?a=2684&q=331234&depNav\\_GID=1619](http://www.ct.gov/dep/cwp/view.asp?a=2684&q=331234&depNav_GID=1619) , and available at the offices of the Department at 79 Elm Street, Hartford, CT.
3. In accordance with such notice, the Department held a public hearing on October 19, 2012, at the offices of the Department at 79 Elm Street, Hartford, CT.
4. Notification of the notice of the SIP revision were electronically mailed and received, on August 17, 2012, by the Directors of the air pollution control agencies in New York, New Jersey, Massachusetts and Rhode Island.
5. Notification of the notice of the SIP revision were electronically mailed and received, on August 17, 2012, by the Office of Ecosystem Protection, EPA New England.
6. The public notice was published on the web site at <http://www.ct.gov/dep/cwp/view.asp?A=2586&Q=509520> and available at the offices of the Department at 79 Elm Street, Hartford, CT.

10/29/12  
Date

  
Elizabeth McAuliffe  
Hearing Officer



## Hearing Report

Hearing Date: October 19, 2012  
Hearing Officer: Elizabeth McAuliffe

Revision to:  
**The Connecticut State Implementation Plan for Air Quality concerning the following Consent Orders.**

- 1) PSEG Power Connecticut LLC – Trading Agreement and Order 8187 Modification 1
- 2) PSEG Power Connecticut LLC – Trading Agreement and Order 8242 Modification 1

### I. Summary

On August 16, 2012, the Connecticut Department of Energy and Environmental Protection (Department) published a notice of intent on the Department's website <http://www.ct.gov/dep/cwp/view.asp?A=2586&Q=509520> to revise the State Implementation Plan (SIP) for air quality through Orders and Modifications as required pursuant to 40 Code of Federal Regulations 51.102. The purpose of this revision is to allow modifications to the use restrictions for continuous emissions reductions credits of oxides of nitrogen emissions. The continuous emissions reductions credits of oxides of nitrogen emissions were approved in accordance with Section 22a-174-22 of the Regulations of Connecticut State Agencies.

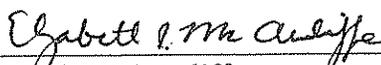
The proposed SIP revision was the subject of a public hearing held on Friday, October 19, 2012, in the Holcombe Room at 79 Elm Street, Hartford, Connecticut. The Department delegated hearing officer was Elizabeth McAuliffe. In attendance at the hearing were Jaimeson Sinclair and Elizabeth McAuliffe of the Department, and Robert Silvestri from PSEG. Written comments were accepted until 4:30 PM, October 19, 2012.

Typically this hearing report would include a summary of written or oral comments on the proposed SIP revision, the Department's response to the comments and any recommended changes to the proposed SIP revision. However, there were no oral or written comments received by the Department.

### IV. Conclusion

I recommend the proposed SIP revision be submitted by the Commissioner of Energy and Environmental Protection to the EPA Administrator as a revision to the Connecticut State Implementation Plan for Air Quality.

10/24/12  
Date

  
Elizabeth I. McAuliffe  
Hearing Officer



**Exhibit 4**  
**Consent Order Modifications and SIP Narrative**





Mr. Richard P. Lopriore  
President  
PSEG Power Connecticut LLC  
1 Atlantic Street  
Bridgeport, CT 06604

Dear Mr. Lopriore:

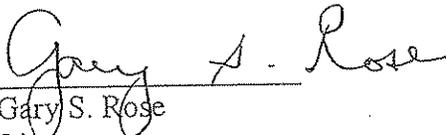
Please find enclosed, the executed modifications of Trading Agreement and Orders #8187 and #8242. The issuance of these modifications to the trading orders is the first step in the process of removing certain restrictions on the use of the Nitrogen Oxide Continuous Emissions Reduction Credits (NOx CERCs) that were created by Boiler #2 at the Bridgeport Harbor Station.

The next step involved in this process is the Department's submission of a State Implementation Plan (SIP) Revision to Region 1 of the US Environmental Protection Agency (EPA). The final step in this process is EPA's incorporation of these order modifications into Connecticut's SIP. Once all those steps are complete, the modifications take full effect and PSEG Connecticut LLC may hold, trade, or sell the NOx CERCs in accordance with the original orders, as modified by the enclosed documents.

Over the next 60-90 days the Department will coordinate with Mr. Robert Silvestri to prepare the SIP Revision package and have it reviewed by PSEG Power Connecticut LLC and submit it to Region 1 of USEPA. This is a process with which he is very familiar.

Subsequently, EPA will review and approve the documentation and amend Connecticut's SIP according to EPA's staffing resources and priorities. Should you have questions regarding this process, please do not hesitate to contact Mr. Robert Girard, the Assistant Director of Enforcement at 860-424-3702.

Sincerely,



Gary S. Rose  
Director  
Engineering and Enforcement  
Bureau of Air Management  
Department of Energy and Environmental Protection

Date

07-16-2012

Enclosures

Cc: Robert Silvestri, Environmental Operations Leader, PSEG Power Connecticut LLC

GSR/jas



In the matter of	)	
	)	
The State of Connecticut and	)	Trading Agreement and Order 8187
	)	Modification 1
PSEG Power Connecticut LLC	)	
(formerly Wisvest Connecticut LLC)	)	

Whereas, the Commissioner of Environmental Protection and Wisvest-Connecticut LLC (“Wisvest”) agreed to the terms and conditions set forth in Trading Agreement and Order 8187 and Wisvest Connecticut LLC underwent a name change becoming PSEG Power Connecticut LLC and pursuant to Public Act 11-80, the Department of Energy and Environmental Protection became the successor agency to the Department of Environmental Protection; the Commissioner of Energy and Environmental Protection (“Commissioner”) and PSEG Power LLC do now, by mutual agreement, modify said Trading Agreement and Order as follows:

1. Delete the text Paragraph C.5 and replace with the following:

Any NOx allowances allocated to the boiler and received by Wisvest pursuant to Sections 22a-174-22b of the Regulations of Connecticut State Agencies shall not be eligible for conversion to offset credits. In addition, any portion of the 816 tons per year of NOx CERCs referenced in Paragraphs A. 6 of Trading Agreement and Order No. 8187 may be used as offset credits in accordance with Paragraph B of Trading Agreement and Order No. 8187.

2. All other terms and conditions of Trading Agreement and Order No. 8187 shall remain in effect.

The Respondent hereby consents to the entry of this modification to the Trading Agreement and Order without further notice.

PSEG Power Connecticut LLC (formerly Wisvest-Connecticut LLC)

Signature: Michael Stagliola

Name: Michael Stagliola

Title: Plant Manager

Date: July 3, 2012

Issued as a modification of a Trading Agreement and Order.

Gary S. Rose  
Gary Rose  
Director  
Engineering and Enforcement Division  
Bureau of Air Management

07-16-2012  
Date



In the matter of	)	
	)	
The State of Connecticut and	)	Trading Agreement and Order 8242
	)	Modification 1
PSEG Power Connecticut LLC	)	

Whereas, the Commissioner of Environmental Protection and PSEG Power Connecticut LLC (“PSEG”) having agreed to the terms and conditions set forth in Trading Agreement and Order 8242 and pursuant to Public Act 11-80, the Department of Energy and Environmental Protection is the successor agency to the Department of Environmental Protection; the Commissioner of Energy and Environmental Protection (“Commissioner”) and PSEG do now, by mutual agreement, further modify said Trading Agreement and Order as follows:

1. Delete the text of Paragraph B.5 and replace with the following:

Any NOx allowances allocated to the boiler and received by PSEG pursuant to Sections 22a-174-22b of the Regulations of Connecticut State Agencies shall not be eligible for conversion to offset credits. In addition, any portion of the 200 tons per year of NOx CERCs referenced in Paragraphs A. 6 of Trading Agreement and Order No. 8242 may be used as offset credits in the State of Connecticut in accordance with Section 22a-174-3a of the Regulations of Connecticut State Agencies. Any portion of the 200 tons per year of NOx CERCs referenced in Paragraph A.6 of Trading Agreement and Order No. 8242 may be transferred and used as offset credits outside of the State of Connecticut provided that:

- a. such transfer is performed in a manner that is allowable in accordance with the document *Improving Air Quality with Economic Incentive Programs* {EPA-452/R-01-001}, and
  - b. such transfer and use is subject to the approval of the affected state.
2. All other terms and conditions of Trading Agreement and Order 8242 shall remain in effect.

The Respondent hereby consents to the entry of this modification to the Trading Agreement and Order without further notice.

PSEG Power Connecticut LLC

Signature: Michael Stagliola

Name: Michael Stagliola

Title: Plant Manager

Date: July 3, 2012

Issued as a modification of a Trading Agreement and Order.

Gary S. Rose  
Gary Rose  
Director  
Engineering and Enforcement Division  
Bureau of Air Management

07-16-2012  
Date

## **SIP Description**

For PSEG Power Connecticut LLC (formerly Wisvest-Connecticut LLC) –  
Modifications of Trading Agreement and Orders 8187 and 8242  
August 2012

### Background

In 2000 and 2003, the Department of Environmental Protection issued Trading Agreement and Orders (TAO) 8187 and 8242 respectively, to create and preserve a total of 816 tons of oxides of nitrogen (NO<sub>x</sub>) continuous emissions reductions credits (CERCs). Both TAOs restrict the use of the NO<sub>x</sub> CERCs to the construction of new emissions units that would be subject to operation under an ozone season NO<sub>x</sub> Budget program, as set forth in section 22a-174-22a and section 22a-174-22b of the Regulations of Connecticut State Agencies (RCSA) or a source subject to the Title 40 of the Code of Federal Regulations, Part 96 (“40 CFR 96”).

The State of Connecticut proposes to modify those trading orders by allowing the NO<sub>x</sub> CERCs to be available for use as emission offsets to sources that are not subject to Sections 22a-174-22a and 22a-174-22b of the RCSA and sources that are not subject to 40 CFR 96. The proposed modifications increase the utility of the NO<sub>x</sub> CERCs created and preserved by the TAOs; while also ensuring that such uses are consistent with the Clean Air Act and its implementing federal and state regulations.

### Justification for Modifications

The use of the NO<sub>x</sub> CERCs created and preserved by the two TAOs is limited to sources that are subject to a NO<sub>x</sub> budget program or a source that is subject to 40 CFR 96. The language implementing this restriction resides in Paragraph C.5 of TAO #8187 and Paragraph B.5 of TAO #8242 and was intended to protect the integrity of the ozone season NO<sub>x</sub> budget. The TAOs limited the use of the CERCs to sources that would be subject to NO<sub>x</sub> budgets once they were constructed.

Subsequently, the Connecticut NO<sub>x</sub> budget regulations were repealed in 2007 and 2010 and replaced with section 22a-174-22c of the RCSA. The ozone season NO<sub>x</sub> budgets established under Section 22a-174-22c of the RCSA are much lower than the preceding ozone season NO<sub>x</sub> budgets and do not include any portion of the 816 tons of NO<sub>x</sub> CERCs referred to in TAO #8187 or any portion of the 200 tons NO<sub>x</sub> CERCs referred to in TAO #8242. Since these emissions reduction are no longer part of the budget, they do not impact the budget or weaken the integrity of the budget. Consequently, restricting the use of the NO<sub>x</sub> credits referred to in TAOs #8187 and #8242 to sources that are subject to an ozone season NO<sub>x</sub> budget program is no longer necessary.

For the reasons indicated above, these restriction in Paragraph C.5 of TAO #8187 and Paragraph B.5 of TAO #8242 are no longer necessary. Therefore, the Modifications eliminate these restrictions while maintaining all other conditions of the TAOs.

This SIP action is proposed by the Connecticut Department of Energy and Environmental Protection to satisfy the requirements of section 22a-174-22 of the Regulations of Connecticut State Agencies. Specifically, Modifications of Trading Agreement and Orders 8187 and 8242 are being presented to the Administrator of the US Environmental Protection Agency for approval in accordance with the provisions of 42 U.S.C. 7401-7671, et seq.

