

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 (NOx) continuous emissions reductions credits (CERCs). Both TAOs restrict the use of the NOx CERCs to the construction of new emissions units that would be subject to operation under an ozone season NOx 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 NOx 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 NOx 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 NOx CERCs created and preserved by the two TAOs is limited to sources that are subject to a NOx 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 NOx budget. The TAOs limited the use of the CERCs to sources that would be subject to NOx budgets once they were constructed.

Subsequently, the Connecticut NOx budget regulations were repealed in 2007 and 2010 and replaced with section 22a-174-22c of the RCSA. The ozone season NOx budgets established under Section 22a-174-22c of the RCSA are much lower than the preceding ozone season NOx budgets and do not include any portion of the 816 tons of NOx CERCs referred to in TAO #8187 or any portion of the 200 tons NOx 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 NOx credits referred to in TAOs #8187 and #8242 to sources that are subject to an ozone season NOx 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.



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: m. 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

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