



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

OCT 23 2001

OFFICE OF
AIR AND RADIATION

Martin L. Bowling, Jr.
Designated Representative
Dominion Generation
5000 Dominion Boulevard
Glen Allen, VA 23060

Re: Petition to Retain Gas-Fired Status for Remington Units 1, 2, 3 and 4

Dear Mr. Bowling:

This is in response to your June 6, 2001 petition under § 75.66 (a) in which Dominion Generation ("Dominion") requested permission to retain gas-fired status for Units 1, 2, 3 and 4 at the Remington, Virginia facility. As discussed below, EPA grants the petition, subject to certain conditions.

Background

The Remington facility consists of four 210 megawatt combustion turbines, which can combust either natural gas or distillate oil. The facility commenced operation in July, 2000. The initial monitoring plans submitted for the units indicated that they were projected to qualify as "gas-fired", as defined in § 72.2. According to that definition, a gas-fired unit is one for which: (1) at least 90.0 % of the heat input to the unit comes from the combustion of gaseous fuel, on a 3-year, rolling average basis; and (2) the percentage of the heat input from gaseous fuel is no less than 85.0% for any of the individual years in the 3-year rolling average.

In the initial monitoring plans for Remington Units 1, 2, 3 and 4, the gas-fired status of the units was determined using projected fuel usage for the years 2000, 2001 and 2002. For each of these calendar years, the projected percentage of the total unit heat input from gaseous fuel was projected to be 90.0%. However, in 2000, for three of the four units, the percentage of the total heat input from gaseous fuel was less than 85.0%, and therefore did not meet the definition of gas-fired. Specifically, for Units 1, 3 and 4, the percentages were 76.6%, 75.3% and 54.2%, respectively. Only Unit 2 qualified as gas-fired, with a percentage of 85.1%.

On June 6, 2001, Dominion submitted a petition to EPA under § 75.66 (a), requesting that Remington Units 1, 2, 3, and 4 be allowed to retain gas-fired status. According to

Dominion, the manner in which the units were operated in 2000 is not representative of the way in which the units were designed to operate or the way in which they are expected to operate in future years. According to Dominion, the operational and fuel usage data for Units 1, 2, 3 and 4 in 2000 are “atypical”, for a number of reasons. First, the units were still under construction and did not operate at all in the first half of 2000. Second, Units 1, 2, 3, and 4 were used very little in the 3rd and 4th quarters of 2000, operating for only 80 hours, 73 hours, 153 hours and 128 hours, respectively. Third, the units were required to undergo compliance testing in 2000, while burning only gas and also while burning only oil. The requirement to burn oil for compliance testing, coupled with the relatively few hours of unit operation in 2000, resulted in three of the units having less than 85.0% of their total annual heat input from gaseous fuel, with a consequent loss of gas-fired status.

To support the assertion that 2000 was not a representative operating year for Remington Units 1, 2, 3, and 4, Dominion provided fuel usage data for the 1st quarter of 2001 with the June 6, 2001 petition. The data show that for Units 1, 2, and 4, the percentages of the total quarterly heat input from gaseous fuel were 100%, 96.6% and 100%, respectively. Unit 3 did not operate in the 1st quarter of 2001. On August 30, 2001, in response to a request from EPA, Dominion updated the fuel usage data for Remington Units 1, 2, 3 and 4, to include data through August 26, 2001. The data show that as of August 26, 2001, the year-to-date percentages of the total heat input from gaseous fuel are 98.2%, 97.5%, 99.0% and 94.7%, for Units 1, 2, 3 and 4, respectively.

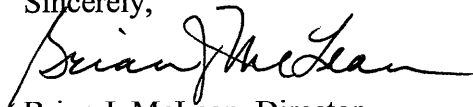
EPA's Determination

EPA believes that in view of: (a) the limited operation of Remington Units 1, 2, 3 and 4 in 2000; (b) the requirement to burn oil in 2000 for compliance testing; and (c) the fuel usage data provided by Dominion covering the period from January 1, 2001 through August 26, 2001, it is reasonable to consider 2000 as an unrepresentative year for the purposes of establishing the gas-fired status of these units. Therefore, for calendar year 2001, the gas-fired status of the units may be re-determined using projected fuel usage for the years 2001, 2002 and 2003, in lieu of using actual data from 2000 and projections for 2001 and 2002. This will require resubmittal of the electronic quarterly reports for the 1st and 2nd quarters of 2001 (and possibly for the 3rd quarter, if that report has been submitted prior to receiving this petition response) for Units 1, 2, 3 and 4. In the resubmittals, Dominion should make the necessary adjustments to EDR record type 507, so that RT 507 reflects the projected heat input percentages for 2001, 2002 and 2003.

Note that EPA is allowing Dominion to use three years of projections to evaluate the gas-fired status of Remington Units 1, 2, 3 and 4 only for the year 2001. In the future, Dominion must follow the procedures in the definition of “gas-fired” in § 72.2, except that the actual data for 2000 for these units will not be used at all. Dominion will therefore use the actual heat input information, starting with data from 2001, in the annual gas-fired status evaluations. For example, the gas-fired evaluation in 2002 must be based on actual data from 2001 and projections for 2002 and 2003, the evaluation in 2003 must be based on actual data from 2001 and 2002 with a projection for 2003, and the evaluation for 2004 must be based on actual data from 2001, 2002 and 2003.

EPA's determination in this letter relies on the accuracy and completeness of the information provided by Dominion in the June 6, 2001 petition and on August 30, 2001, and is appealable under part 78. If you have any further questions or concerns about this matter, please contact Robert Vollaro, at (202) 564-9116. Thank you for your continued cooperation.

Sincerely,

A handwritten signature in black ink that reads "Brian J. McLean". The signature is fluid and cursive, with a long horizontal stroke at the end.

Brian J. McLean, Director
Clean Air Markets Division

cc: Linda Miller, EPA Region III
T.L. Darton, Virginia DEQ
Robert Vollaro, CAMD