

December 20, 2007

Phil Tuohy
Plant Manager
Wheelabrator Ridge Energy Inc.
3131 K-Ville Avenue
Auburndale, FL, 33823

Re: Request for an Alternative to the 2008 Emissions Monitoring and Reporting requirements of the CAIR NO_x Programs

Dear Mr. Tuohy:

This is in response to your November 30, 2007 petition under 40 CFR 97.175 and 97.375, in which Wheelabrator Ridge Energy, Inc. (Ridge) requested an alternative to the provisions of the Clean Air Interstate Regulation (CAIR) Federal Implementation Plan (FIP) requiring Ridge to install and certify continuous emission monitoring systems (CEMS) on the multi-fuel boiler at the Wheelabrator Ridge Energy, Inc. Facility (the Ridge Facility), and to begin reporting nitrogen oxides (NO_x) mass emissions and heat input, by January 1, 2008. EPA approves the petition in part and with conditions, as discussed below.

Background

In a July 11, 2007 letter to EPA, Ridge asked the Agency to make a CAIR applicability determination for the multi-fuel boiler at the Ridge Facility in Auburndale, Florida. In particular, Ridge requested that EPA decide whether the boiler is subject to the CAIR NO_x annual and ozone season and SO₂ trading programs. If the Ridge Facility boiler is subject to the CAIR trading programs, then Ridge will have to meet the requirements of these programs concerning this boiler. For example, Ridge will be required by 40 CFR 97.170(b) to install and certify CEMS on the boiler for, and begin reporting, NO_x mass emissions and heat input as of January 1, 2008. Further, Ridge will be required to hold CAIR NO_x allowances equal to the boiler's NO_x mass emissions beginning January 1, 2009 and to hold CAIR NO_x ozone season allowances equal to the unit's NO_x mass emissions beginning May 1, 2009. (The deadlines for the sulfur dioxide (SO₂) emissions monitoring and allowance holding requirements under the CAIR SO₂ trading program are January 1, 2009 and January 1, 2010 respectively.)

Ridge submitted a petition to EPA on November 30, 2007, proposing an alternative to the requirement to monitor and report NO_x mass emissions and heat input data in 2008 under the CAIR NO_x trading programs. In the petition, Ridge requested that the deadline for certifying CEMS and reporting NO_x mass emissions and heat input data for the boiler at the Ridge Facility be extended to 90 days after receipt of a response from

EPA to the July 11, 2007 CAIR applicability determination request. According to Ridge, the facility has had insufficient time to meet the CAIR monitoring requirements, as Ridge did not learn that the boiler might be considered subject to the CAIR trading programs until it received a NO_x allocation order from the Florida Department of Environmental Protection (DEP) on April 5, 2007. Further, Ridge believes that the proposed deadline extension would have no adverse impact on the CAIR NO_x trading programs since, under these programs, CAIR NO_x allowances do not have to be held to cover 2008 NO_x mass emissions.

EPA's Determination

EPA conditionally approves Ridge's request for an extension of the January 1, 2008 deadline to certify CEMS at the Ridge Facility boiler and to begin reporting NO_x mass emissions and heat input under the CAIR NO_x annual and ozone season trading programs. For the following reasons, the Agency is extending the deadline for Ridge to install and certify CEMS on the boiler at the Ridge Facility and to begin reporting NO_x mass emissions and heat input to January 1, 2009:

1. EPA needs additional time to complete its CAIR applicability determination for the Ridge Facility's boiler due to the complexity of the issues raised in the determination request. If Ridge were to install and certify CEMS on the Ridge Facility's boiler and the Agency subsequently determined that the boiler is not a CAIR unit, Ridge would have incurred significant expense to purchase and certify CEMS that would not be required or used in the CAIR NO_x trading programs; and
2. While the CAIR NO_x trading programs require that NO_x mass emissions and heat input be monitored and reported for 2008, the CAIR emission reduction requirements -- and thus the requirement to hold CAIR NO_x allowances covering emissions -- do not begin until 2009. Therefore, the absence of CEMS on the Ridge Facility boiler in 2008 will have little or no effect on the CAIR NO_x trading programs and the achievement of CAIR-required reductions. For example, although 2008 CEMS data could be used to develop substitute data if the use of substitute data became necessary starting in 2009, the CAIR FIP regulations provide for the use of other substitute data, e.g., maximum potential emissions.

Conditions of Approval

The conditions of this approval are as follows:

1. Ridge shall install and certify the required CEMS for the Ridge Boiler's NO_x mass emissions and heat input, and shall begin electronic reporting of the unit's NO_x mass emissions, SO₂ mass emissions, and heat input data to EPA, in accordance with the CAIR trading programs (40 CFR part 97, subparts HH, HHH, and HHHH) by January 1, 2009.

2. Notwithstanding paragraph 1 above, Ridge shall be exempt from the requirements of that paragraph to install and certify CEMS on the Ridge Facility boiler, and begin reporting in accordance with the CAIR trading programs, if EPA determines before January 1, 2009 that the Ridge Facility boiler is not subject to the CAIR NO_x annual and ozone season and SO₂ trading programs.

EPA's determination concerning Ridge's November 30, 2007 petition is appealable under 40 CFR Part 78. In accordance with 40 CFR 97.175 and 97.375, EPA made this determination in consultation with the Florida Department of Environmental Protection. If you have any questions regarding this request, please contact Venu Ghanta at (202) 343-9009. Thank you for your continued cooperation.

Sincerely,

/s/

Sam Napolitano, Director
Clean Air Markets Division

cc: Dave McNeal, EPA Region IV
Errin Pichard, Florida DEP
Venu Ghanta, CAMD