



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 2
290 Broadway
New York, NY 10007**

June 16, 2004

Mr. David Alexander, Managing Principal
Air Resources Group, LLC
596 New Loudon Rd
Latham, NY 12110

**Subject: Request for Determination of PSD Non-Applicability
Brooklyn Navy Yard Cogeneration Facility**

Dear Mr. Alexander:

The U.S. Environmental Protection Agency's Region 2 Office (EPA) has received your May 14, 2004 request for a Clean Unit designation under 40 CFR § 52.21 for two combustion turbines identified as units U-0001 and U-0002 at the Brooklyn Navy Yard Cogeneration Partnership (BNYCP) in Brooklyn, NY.

Your letter provided additional information regarding the eligibility of these units for this designation, and requested that EPA designate both units as Clean Units for all permitted pollutants. Below, we have outlined our findings on this matter.

According to our records, the facility received a major New Source Review (NSR) permit in the spring of 1993. The permitting process included Best Available Control Technology (BACT) and Lowest Achievable Emission Rate (LAER) determinations for NO_x and a BACT determination for PM₁₀. Other pollutants did not undergo full review because potential emissions were below applicable thresholds. Because the initial permit was issued in 1993, and the technology reviews for BACT and LAER were concluded at that time as well, the BNYCP does not meet the criterion of 40 CFR § 52.21 (x)(3)(i) and thus does not qualify "automatically" for Clean Unit designation. Nonetheless, the BNYCP does operate with control technology and at emissions levels that may allow it to qualify under 40 CFR § 52.21 (y).

If the emissions units otherwise are eligible for the Clean Unit designation, as discussed below, then pursuant to 40 CFR § 52.21 (y)(5), such designation would become effective upon issuance of a permit that has undergone public review and contains the terms and conditions set forth in 40 CFR § 52.21 (y)(8). This designation would generally expire on July 23, 2006¹, unless

¹ Ten years after the control technology was installed, taken as the day emissions compliance testing was concluded, July 23, 1996. Notwithstanding the generally defined designation period, expiration occurs any time the requirements of 40 CFR 52.21 (y)(9) are not met.

BNYCP chooses to demonstrate it is achieving emissions comparable to today's BACT/LAER levels, in which case expiration would occur ten years from the effective date of this designation, according to 40 CFR § 52.21 (y)(6).

To determine eligibility of the emissions units for each pollutant for which Clean Unit designation is sought, the procedures of 40 CFR §§ 52.21 (y)(3)(i) and (ii) must be followed. This includes a demonstration that the technology is comparable to other BACT determinations that go beyond the "no additional control" level, an investment was made, and an air quality analysis has been performed.

With respect to the heat recovery steam generator restoration project described in your letter, BNYCP may choose to follow any appropriate applicability provision of 40 CFR § 52.21 (a)(2)(iv), regardless of the Clean Unit status of the emissions units. If BNYCP determines that this project would not be a major modification as defined at 40 CFR § 52.21 (b)(2)(i), then BNYCP would require neither a permit nor a determination of nonapplicability from EPA before undertaking this project.

Thank you for this opportunity to provide assistance in complying with the applicable air quality regulations. Please call me at (212) 637-4074 or Ms. Lauren Steele of my staff at (212) 637-3583 with any additional questions.

Sincerely,

/ s /

Steven C. Riva, Chief
Permitting Section
Air Programs Branch

cc: Sam Lieblich, NYSDEC