



STATE OF CONNECTICUT
DEPARTMENT OF ENVIRONMENTAL PROTECTION



In the matter of)
)
The State of Connecticut and) Trading Agreement
) and Order No. 8178
)
Wisvest-Connecticut, LLC)

Whereas, the Commissioner of Environmental Protection ("Commissioner") and Wisvest-Connecticut, LLC ("Wisvest") agree that it is in the public interest that they work cooperatively to improve the air quality within the State of Connecticut and that the use of emission reduction trading will achieve this result in a timely and cost-effective manner:

- A. At the request and with the agreement of Wisvest, the Commissioner finds the following:
1. Wisvest is an exempt wholesale electric generating company with its principal place of business in Shelton, Connecticut. On April 16, 1999 Wisvest purchased from The United Illuminating Company and now owns and operates two fossil fuel-fired electric generating stations within the state.
 2. One of the two fossil fuel-fired electric generating stations within the state that Wisvest owns and operates is New Haven Harbor Station at 1 Waterfront Street in New Haven, Connecticut ("facility"). At the facility, Wisvest operates a Babcox and Wilcox steam generator ("boiler"), Connecticut Permit 117-0021, which is subject to Section 22a-174-22 of the Regulations of Connecticut State Agencies ("Regulations"). The boiler is used as an auxiliary source of steam (heating and process) principally when the main electric generating unit is not operating.
 3. At the facility, Wisvest can operate the boiler on either No. 2 fuel oil or No. 6 fuel oil. When operating on No. 2 fuel oil, the boiler complies with the applicable nitrogen oxide ("NOx") emission rate limit of 0.20 pounds per million British thermal units ("lbs/MMBtu") of heat input. When operating on No. 6

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fuel oil, the NOx emission rate for the boiler has been measured at 0.36 lbs/MMBtu of heat input, in excess of the applicable NOx emission rate of 0.25 lbs/MMBtu of heat input.

4. On and after May 31, 1995, Section 22a-174-22(e) of the Regulations requires that the boiler emit NOx at a rate no greater than 0.25 lbs/MMBtu of heat input when operating on No. 6 fuel oil. Wisvest proposes to use approved emission reduction credits ("ERCs") for compliance purposes at the facility, when and if Wisvest chooses to operate the boiler on No. 6 fuel oil.
- B. The Commissioner, in accordance with the provisions of this Trading Agreement and Order, and pursuant to Section 22a-174-22(j) of the Regulations, hereby allows Wisvest to comply with Section 22a-174-22 of the Regulations through use of emission reduction trading referenced in Section A, herein, to achieve the NOx emission reduction required by Section 22a-174-22(d)(2) of the Regulations.
- C. With the agreement of Wisvest, the Commissioner, acting under Sections 22a-6, 22a-171, 22a-174, 22a-176, and 22a-177 of the Connecticut General Statutes, orders Wisvest as follows:
1. On and after April 16, 1999 and prior to May 1, 2003 or until Wisvest achieves compliance with the emission standards in Section 22a-174-22(e) of the Regulations, whichever occurs earlier, Wisvest shall have in its possession approved ERCs and shall document and record the amounts of all fuel and ERCs used by the boiler each month, and provide such records in accordance with the following and Section 22a-174-22 of the Regulations:
 - a. Before the first day of each month, calculate projected ERCs required for the next calendar month for the boiler as follows:

$$\text{ERCs (tons)} = [\text{Estimated Fuel Use in MMBtu} \times (0.40 \text{ lbs/MMBtu} - (0.95 \times 0.25 \text{ lbs/MMBtu}))] \div 2000 \text{ pounds};$$

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- b. Document that sufficient approved ERCs are available for the boiler no later than the first of each calendar month to assure compliance for, at a minimum, that calendar month. At a minimum, ERCs required shall be adjusted upwards by 100% if ERCs are not in Wisvest's possession prior to the first day of each month;
- c. No later than the tenth day of each month, calculate ERCs used in the preceding calendar month for the boiler as follows:

$$\text{ERCs (tons)} = [\text{Actual Fuel Use in MMBtu} \times (.40 \text{ lbs/MMBtu} - (.95 \times .25 \text{ lbs/MMBtu}))] \div 2000 \text{ pounds};$$

- d. Document and record monthly consumption of fuel and ERCs;
- e. No later than March 1, of each year this Trading Agreement and Order is in effect, include with its annual emissions report to the Commissioner, the monthly rate of fuel consumption for the boiler and ERCs used by the boiler for the previous calendar year;
- f. Retain records and supporting documentation as described in this section for a minimum of five years, commencing on the date such records were created;
- g. Maintain documentation to attest to the fact that ERCs used during the ozone season were generated during the ozone season. The ozone season is from May 1 through September 30 in any calendar year. Generator certification of this fact shall be sufficient; and
- h. Provide the records specified above to the Commissioner within thirty (30) days of receipt of a written request from the Commissioner.

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2. Prior to May 1, 2003 Wisvest shall comply during operation on No. 6 fuel oil with an enforceable maximum full load emission rate limit ("FLER") of 0.40 lbs of NOx per MMBtu of heat input, averaged on a 24-hour basis.
3. No later than May 1, 2003, Wisvest shall comply with the requirements of Section 22a-174-22(d)(2) of the Regulations. However, after full program review of this and other Trading Agreements and Orders and, if determined to be appropriate, the Commissioner may grant a written extension of this Trading Agreement and Order.
4. As used in this Trading Agreement and Order, "Commissioner" means the Commissioner of Environmental Protection or an agent of the Commissioner. "Ozone season" means the period from May 1 through September 30 in any given calendar year.
5. Notification of noncompliance. In the event that Wisvest becomes aware that it did not or may not comply, or did not or may not comply on time, with any requirement of this Trading Agreement and Order or of any document required hereunder, Wisvest shall by telephone immediately notify the Bureau of Air Management and shall take all reasonable steps to ensure that any noncompliance or delay is avoided or, if unavoidable, is minimized to the greatest extent possible. Wisvest shall also notify the Commissioner in writing within ten days of becoming aware of the noncompliance or potential noncompliance stating the date, time, and duration of the noncompliance, the reasons for the noncompliance or delay and all activities which Wisvest and its agents, employees and representatives took to avoid or repair the results of the noncompliance and prevent the noncompliance, and propose, for the review and written approval of the Commissioner, dates by which compliance will be achieved. Notification by Wisvest shall not excuse noncompliance or delay, and the Commissioner's approval of any compliance dates proposed shall not excuse noncompliance or delay unless specifically so stated by the Commissioner in writing. Nothing herein shall negate Wisvest's obligation to comply with

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Section 22a-174-7 of the Regulations. To the extent that the provisions of Section 22a-174-7 are inconsistent with the provisions of this Trading Agreement and Order, the more stringent of the provisions in the Trading Agreement and Order or Section 22a-174-7 shall control.

6. Certification of documents. Any document, including but not limited to any notice, which is required to be submitted to the Commissioner under this Trading Agreement and Order shall be signed by the responsible corporate officer of Wisvest or a duly authorized representative of such officer, as those terms are defined in Section 22a-430-3(b)(2) of the Regulations, and by the individual or individuals responsible for actually preparing such document, each of whom shall examine and be familiar with the information submitted in the document and all attachments thereto, and shall make inquiry of those individuals responsible for obtaining the information to determine that the information is true, accurate, and complete, and each of whom shall certify in writing as follows:

"I have personally examined and am familiar with the information submitted in this document and all attachments thereto, and I certify that based on reasonable investigation, including my inquiry of those individuals responsible for obtaining the information, the submitted information is true, accurate and complete to the best of my knowledge and belief. I understand that any false statement made in the submitted information may be punishable as a criminal offense under Section 22a-175 of the Connecticut General Statutes or, in accordance with Section 22a-6 of the Connecticut General Statutes, under Section 53a-157b of the Connecticut General Statutes, and in accordance with any other applicable statute."

7. Final Agreement and Order. This Trading Agreement and Order is the final agreement and order by and between the Commissioner and Wisvest with respect to the matters addressed herein, and shall not be modified without the written agreement of both parties.

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8. False statements. Any false statement in any information submitted pursuant to this Trading Agreement and Order may be punishable as a criminal offense under Section 22a-175 of the Connecticut General Statutes or, in accordance with Section 22a-6, under Section 53a-157b of the Connecticut General Statutes.

9. Notice of transfer; liability of Wisvest and others. Until Wisvest has fully complied with this Trading Agreement and Order, Wisvest shall notify the Commissioner in writing no later than fifteen (15) days after transferring all or any portion of the facility, the operations, the site or the business which are the subject of this Trading Agreement and Order, or obtaining a new mailing or location address. Any license transfer shall be conducted in accordance with Section 22a-60 of the Connecticut General Statutes. Wisvest's obligations under this Trading Agreement and Order shall not be affected by the passage of title to any property to any other person or municipality.

10. Commissioner's powers. Nothing in this Trading Agreement and Order shall affect the Commissioner's authority to institute any proceeding or take any other action to prevent or abate violations of law, prevent or abate pollution, recover costs and natural resource damages, and to impose penalties for violations of law which are willful or criminally negligent or for which penalties have not been specifically provided in this Trading Agreement and Order, including but not limited to violations of any permit issued by the Commissioner. If at any time the Commissioner determines that the actions taken by Wisvest pursuant to this Trading Agreement and Order have not fully achieved compliance with Section 22a-174-22 of the Regulations, the Commissioner may institute any proceeding against Wisvest and/or require Wisvest to undertake further investigation or further action.

11. Wisvest's obligations under law. Nothing in this

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Trading Agreement and Order shall relieve Wisvest of other obligations under applicable federal, state and local law.

12. Access to records and facility. Any representative of the Department of Environmental Protection may enter and inspect the facility and inspect and copy records within normal business hours without prior notice for the purposes of monitoring and enforcing the actions required or allowed by this Trading Agreement and Order.
13. No effect on rights of other persons. This Trading Agreement and Order shall neither create nor affect any rights of persons who or municipalities which are not parties to this Trading Agreement and Order.
14. No Creation of Property Rights. This Trading Agreement and Order does not create any property rights with respect to these ERCs.
15. Notice to Commissioner of changes. Within fifteen (15) days of the date Wisvest becomes aware of a change in any information submitted to the Commissioner under this Trading Agreement and Order, or that any such information was inaccurate or misleading or that any relevant information was omitted, Wisvest shall submit the correct or omitted information to the Commissioner.
16. Submission of documents. Any document required to be submitted to the Commissioner under this Trading Agreement and Order shall, unless otherwise specified in writing by the Commissioner, be directed to:

Ms. Wendy Jacobs
Department of Environmental Protection
Bureau of Air Management
Compliance and Field Operations Division
Emissions and Credit Trading Section
79 Elm Street
Hartford, Connecticut 06106

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Wisvest-Connecticut, LLC

Trading Agreement
and Order No. 8178

Wisvest consents to the issuance of this Trading Agreement and Order without further notice. The undersigned certifies that he/she is fully authorized to enter into this Trading Agreement and Order and to legally bind Wisvest to the terms and conditions of the Trading Agreement and Order.

Signature: Thomas D. Kirk Wisvest-Connecticut, LLC
Name: THOMAS D. KIRK
Title: GENERAL MANAGER
Date: MAY 1, 2000

Issued as a final consent order of the Commissioner of
Environmental Protection on May 22, 2000.

Arthur J. Rocque, Jr.
Arthur J. Rocque, Jr.
Commissioner

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