



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

OFFICE OF
AIR AND RADIATION

Amy Christensen Couch
Sullivan & Ward, PC
801 Grand Ave., Suite 3500
Des Moines, IA 50309-2719

Dear Ms. Couch:

The Acid Rain Division has received your request for an applicability determination for the Allamakee-Clayton Electric Cooperative's 65 kilowatt backup engine under 40 CFR Part §72.6(c). This letter represents EPA's official determination of applicability for the backup engine which commenced operation in 1994.

Based on your February 2, 1995 petition, the 65 kilowatt unit is an internal combustion engine used only for backup power for the cooperative's use; electricity from the engine is not sold. Allamakee-Clayton is a distribution cooperative and does not generate electricity for sale. The unit is not listed in either Table 2 or 3 of 40 CFR §73.10.

From the information you supplied, summarized above, the 65 kilowatt engine is not an affected unit under the Acid Rain Program. The relevant provision is the definition of "utility unit" found at 40 CFR §72.2. While the engine is a "unit," defined at §72.2, because it combusts fossil fuel, the engine is not a "utility unit" because no electricity from the unit is sold. Because the unit is not a utility unit, it is not an "affected unit" under §72.6(a), is not subject to any requirements under Title IV, and does not have to apply for an exemption under §72.7.

My staff has discussed the matter of the air operating permit requirements with EPA staff implementing the Title V program. Title V operating permits are required for "major sources," with potential to emit over 100 tons of any criteria pollutant (such as, SO₂ or NO_x), and for units affected under Title IV. If the backup engine is not a major source, then it would not be required to have a Title V air operating permit.

This determination is based solely on the representations made in your letter dated February 2, 1995. According to §72.6(c), this determination is appealable under 40 CFR part 78. Under the requirement of 40 CFR §72.6(c), you are required to send copies of this letter to each owner or operator of the Allamakee-Clayton Electric Cooperative backup engine. If you have

further questions regarding the Acid Rain Program, please contact Kathy Barylski of my staff at (202) 233-9074.

Sincerely,

/s/ (February 27, 1995)

Brian J. McLean, Director
Acid Rain Division