

STEVEN L. BESHEAR
GOVERNOR



LEONARD K. PETERS
SECRETARY

ENERGY AND ENVIRONMENT CABINET

OFFICE OF THE SECRETARY
500 MERO STREET
12TH FLOOR, CAPITAL PLAZA TOWER
FRANKFORT, KY 40601
TELEPHONE: (502) 564-3350
FACSIMILE: (502) 564-7484
<http://eec.ky.gov>

March 6, 2013

Ms. Gwendolyn Keyes Fleming
Regional Administrator
U.S. EPA, Region 4
Sam Nunn Atlanta Federal Center
61 Forsyth Street, SW
Atlanta, Georgia 30303

RE: Response to 120-day letter for SO₂ nonattainment areas in Kentucky

Dear Ms. Fleming:

This is written in response to your letter dated February 6, 2013, to Kentucky Governor Steve Beshear regarding recommendations on air quality designations for Kentucky for the 2010 revision to the primary National Ambient Air Quality Standard (NAAQS) for sulfur dioxide (SO₂). After review of the available information and the documentation provided in your letter, I would like to offer the following comments.

The Clean Air Act (the Act) prescribes a two-step process for designating areas after a NAAQS is revised. The first step is designation of areas in accordance with Section 107(d)(1)(A) of the Act. This section requires EPA to designate areas as nonattainment, attainment or unclassifiable. Your letter identified that EPA intends to designate portions of Jefferson and Campbell Counties, Kentucky, as nonattainment. However, for the rest of the state, EPA does not intend to officially designate those areas under any of these three classifications mandated by the Act. Therefore, Kentucky recommends that areas not designated as "nonattainment" be designated as "unclassifiable".

The second step, and the ultimate goal of the Act, is for areas designated as nonattainment to be redesignated to attainment under the prerequisite requirements described in Section 107(d)(3)(E). This section specifies that an area may not be redesignated unless:

- (i) The Administrator determines that the area has attained the national ambient air quality standard;
- (ii) The Administrator has fully approved the applicable implementation plan for the area under section 7410(k) of this title;
- (iii) The Administrator determines that the improvement in air quality is due to permanent and enforceable reductions in emissions resulting from the applicable implementation plan and applicable Federal air pollutant control regulations and other permanent and enforceable reductions;

- (iv) The Administrator has fully approved a maintenance plan for the area as meeting the requirements of section 7505a of this title; and
- (v) The State containing such area has met all requirements applicable to the area under section 7410 of this title and part D of this subchapter.

As previously identified by Kentucky in my updated nonattainment recommendation letter of January 15, 2013, we continue to believe that the portion of Jefferson County that was identified and that includes the area around the violating monitor and the LG&E Mill Creek Generation Station, should be designated as nonattainment. We are confident that the control measures that LG&E intends to install to comply with the Mercury and Air Toxics Standards, by upgrading the scrubbers on these units, will bring the area back into attainment. This project has been permitted by the Louisville Metro Air Pollution Control District, thereby making it permanent and enforceable.

However, the situation with which Kentucky is faced in Campbell County is a substantially different matter and beyond the control of the Commonwealth to remedy. This fact is acknowledged by the technical support documents included with your February 6, 2013, letter and also with Administrator Hedman's letter to Ohio Governor John Kasich sent the same day that indicate the Duke Energy W. C. Beckjord Station in Clermont County, Ohio, is the cause of the violating monitor in Campbell County, Kentucky.

Specifically, on page 20 in the technical support document included with the 120-day letter to Ohio, EPA states:

"Evidence of SO₂ emissions in the vicinity of a violating monitor is an important factor for determining whether a nearby area is contributing to a monitored violation. For this factor, EPA considered county emissions data for SO₂ and data for sources within 50 kilometers of violating monitors. Duke Energy's W. C. Beckjord Station, a coal-fired power plant, is believed to be the main Ohio source contributing to the violation at the Campbell County monitor. It is located 16 kilometers east of the monitor. The W.C. Beckjord Station emitted over 26,000 tons of SO₂ in 2008 (NEI08v2), and more recent data from EPA's Clean Air Markets Division suggests that its SO₂ emissions have increased significantly in more recent years. The W. C. Beckjord Station is located on the Ohio River in Pierce Township, near the town of New Richmond, Clermont County, Ohio."

On page 21 of the same document, in a footnote to Table 11, Ohio SO₂ Emissions for the Campbell County (KY) Area, EPA states: *"EPA Clean Air Markets Division information for 2010-2011 indicates that the W.C. Beckjord Station has increased its SO₂ emissions to over 70,000 tons per year in recent years."*

A review of the CAMD data also shows that the SO₂ emissions (tpy) reported for the W.C. Beckjord Station in Clermont County, Ohio, are:

2010	69,156.27
2011	90,834.52
2012	67,068.84

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Using the figures provided in EPA's 120-day letter to Kentucky in Table 3, page 7, Campbell County, Kentucky, has total SO₂ emissions of 88.8 tons per year. Clermont County, Ohio, has total SO₂ emissions of 42,913.8 tons per year, or nearly 500 times the emissions from Campbell County.

Further, more substantial evidence provided by EPA Region 4's wind rose analysis clearly identifies the W. C. Beckjord Station as the source of high monitor readings. If not for the vast amount of significant SO₂ emissions from this uncontrolled power plant, the Campbell County monitor would demonstrate attainment with the standard. An elimination of all (point, area, mobile, nonroad) SO₂ emissions in Campbell County would reduce SO₂ emissions by 0.2% with 99.8% of the emissions from Clermont County remaining. In addition, the total area in Kentucky designated as nonattainment is ironically larger than the total area designated nonattainment in Ohio, the location of the source causing the violation. This of course is only by virtue of EPA's apparent need to geographically connect the monitor to the source of the NAAQS violation. With the Kentucky monitor being located approximately 10 miles west from the Beckjord plant and separated by the Ohio River, five census tracts in Kentucky were identified in order to achieve this "connection."

Unfortunately designation as nonattainment will cause undue harm to Kentucky with more stringent permitting requirements for county sources and will have a devastating impact on any economic development potential for Campbell County. Although a limited amount of emission offsets would be available for Campbell County, Kentucky (~88 tpy), new major sources locating or existing sources wishing to undertake a major modification would be obligated to acquire emission offsets for potential emissions increases. Additionally, to require Kentucky to needlessly follow the second-step requirements of Section 107(d)(3)(E) defies logic since there are no programs that could be implemented to bring the area back into and maintain attainment. Therefore, Kentucky strongly opposes the proposed nonattainment designation of Campbell County due to the overwhelming supporting data indicating that there is no environmental benefit to designating the Kentucky portion as nonattainment.

Thank you for consideration of these comments. Your prompt attention to this letter will be appreciated. If you have any questions or comments concerning this matter, please contact Andrea Smith at the Division for Air Quality at (502) 564-3999.

Sincerely yours,



Leonard K. Peters

Enclosures

cc: Beverly Banister
R. Scott Davis