



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

FEB 27 2008

David A. Buff
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OFFICE OF
AIR AND RADIATION

Re: Petition for an Extension of the Deadline to Comply with CAIR NO_x Monitoring Requirements at the New Hope Power Partnership

Dear Mr. Buff:

This is in response to your December 19, 2007 petition under 40 CFR 97.175 and 97.375, in which New Hope Power Partnership (NHPP), requested an alternative to the provisions of the Clean Air Interstate Regulation (CAIR) Federal Implementation Plan (FIP) requiring NHPP to install and certify continuous emission monitoring systems (CEMS) on three boilers at its Palm Beach County, Florida facility by January 1, 2008, and to report nitrogen oxides (NO_x) mass emissions and heat input data for these units, beginning on January 1, 2008. EPA approves the petition, with conditions, as discussed below.

Background

NHPP owns and operates a biomass-fired power plant located in Palm Beach County, Florida. The NHPP facility consists of three identical 760 mmBtu/hr boilers that combust wood chips and bagasse during normal operation, and that burn small amounts of fossil fuels (distillate oil and natural gas) for unit startup and shutdown, and for flame stabilization. According to NHPP, less than 5 percent of the total heat input to the boilers is from fossil fuel combustion.

The December 19, 2007 petition indicates that NHPP originally believed the NHPP facility boilers to be subject to CAIR. However, in view of an October 19, 2007 rulemaking in which EPA revised the definition of a "cogeneration unit" under the CAIR rules, NHPP reconsidered its position and now believes that the NHPP facility may be exempt from CAIR. Consequently, NHPP has requested that the Florida Department of Environmental Protection (FDEP) make a CAIR applicability determination for the NHPP facility.

If the FDEP determines that the NHPP boilers are subject to the CAIR NO_x and SO₂ emissions trading programs, then NHPP will have to meet all requirements of these programs concerning these boilers. For example, CAIR NO_x units are required by 40

CFR 97.170(b) to install and certify CEMS on the boilers for, and begin reporting, NO_x mass emissions and heat input as of January 1, 2008. Further, CAIR NO_x units are required to hold allowances equal to the units' NO_x mass emissions beginning January 1, 2009 and to hold CAIR NO_x ozone season allowances equal to the units' 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, respectively, January 1, 2009 and January 1, 2010.

In the December 19, 2007 petition, NHPP requested that the January 1, 2008 monitoring and reporting deadline under the CAIR NO_x programs be extended to December 18, 2008, to allow sufficient time for the FDEP to respond to the NHPP's CAIR applicability determination request and for NHPP to procure, install, and certify the required monitoring equipment, if deemed necessary.

EPA's Determination

EPA conditionally approves NHPP's request for an extension of the January 1, 2008 deadline to certify CEMS at the NHPP facility 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 NHPP to install and certify CEMS on the boilers at the NHPP facility and to begin reporting NO_x mass emissions and heat input to January 1, 2009:

1. The FDEP needs additional time to complete its CAIR applicability determination for the NHPP facility boilers due to the complexity of the issues raised in the determination request. If NHPP were to install and certify CEMS on the NHPP facility boilers and the FDEP subsequently determined that the boilers are not CAIR units, NHPP 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 NHPP facility boilers 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 quality-assured 2008 CEMS data could be used for missing data purposes if the use of substitute data became necessary in the early part of 2009, the CAIR FIP regulations provide for the use of other substitute data values, e.g., maximum potential concentrations and/or emission rates, in the absence of historical quality-assured data.

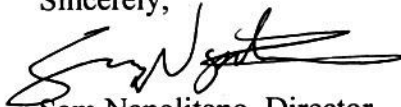
Conditions of Approval

The conditions of this approval are as follows:

1. NHPP shall install and certify CEMS on the NHPP facility boilers to continuously monitor the units' NO_x mass emissions, SO₂ mass emissions, and heat input, and shall begin electronic reporting of the units' NO_x mass emissions, SO₂ mass emissions, and heat input data to EPA, in accordance with the CAIR NO_x and SO₂ emissions trading programs (40 CFR Part 97, subparts HH, HHH, and HHHH) by January 1, 2009.
2. Notwithstanding paragraph 1 above, NHPP shall be exempt from the requirements of that paragraph to install and certify CEMS on the NHPP facility boilers, and to begin reporting emissions and heat input data in accordance with the CAIR trading programs, if, prior to January 1, 2009, the FDEP determines that the NHPP facility boilers are not subject to the CAIR NO_x annual and ozone season and SO₂ trading programs.

EPA's determination relies on the accuracy and completeness of the information in the December 19, 2007 petition and is appealable under 40 CFR Part 78. In accordance with 40 CFR 97.175 and 97.375, EPA has made this determination in consultation with the Florida Department of Environmental Protection. If you have any questions regarding this determination, please contact Venu Ghanta at (202) 343-9009. Thank you for your continued cooperation.

Sincerely,



Sam Napolitano, Director
Clean Air Markets Division

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