



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

SEP 10 2008

Phil Tuohy
Plant Manager
Wheelabrator Ridge Energy, Inc.
3131 K-Ville Avenue
Auburndale, FL, 33823

OFFICE OF
AIR AND RADIATION

Re: Ridge's August 19, 2008 Request for Alternative Deadlines for the Emissions Monitoring and Reporting Requirements of the CAIR Trading Programs

Dear Mr. Tuohy:

On November 30, 2007, Wheelabrator Ridge Energy, Inc. (Ridge) requested an alternative to the provisions of the Clean Air Interstate Rule (CAIR) NO_x trading programs requiring Ridge to install and certify continuous emission monitoring systems (CEMS) on the multi-fuel boiler at the Wheelabrator Ridge Energy, Inc. Facility (the Ridge Facility) and to begin reporting nitrogen oxides (NO_x) mass emissions and heat input, by January 1, 2008. On December 19, 2007, EPA approved the petition, with conditions. On August 19, 2008, Ridge requested that the extension concerning NO_x monitoring and reporting be extended further and that the January 1, 2009 deadline for the requirement to certify CEMS to monitor and report sulfur dioxide (SO₂) emissions at the Ridge Facility under the CAIR SO₂ trading program also be extended.

Background

On December 19, 2007, EPA conditionally approved Ridge's request for an extension of the January 1, 2008 deadline to certify CEMS at the Ridge Facility boiler, and to begin reporting NO_x mass emissions and heat input under the CAIR NO_x annual and ozone season trading programs, to January 1, 2009. The reasons stated at the time for granting the extension were as follows:

1. EPA needs additional time to complete an applicability determination under CAIR for the Ridge Facility's boiler due to the complexity of the issues raised in the determination request. If Ridge were to install and certify CEMS on the Ridge Facility's boiler and the Agency subsequently determined that the boiler is not a CAIR unit, Ridge 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 Ridge Facility boiler 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 2008 CEMS data could be used to develop substitute data if the use of substitute data became necessary starting in 2009, the CAIR NO_x trading program regulations provide for the use of other substitute data, e.g., maximum potential emissions.

However, on July 11, 2008, the U.S. Court of Appeals for the District of Columbia issued a decision in North Carolina v. EPA, No. 05-1244, vacating CAIR and the Federal Implementation Plans for CAIR and remanding them to EPA. Although the Court has not yet issued a mandate, there may be further proceedings in the case. Consequently, it is unclear whether or when EPA will be able to issue the CAIR applicability determination.

In light of these circumstances, EPA is extending the deadline for Ridge to install and certify CEMS to measure NO_x mass emissions and heat input on the boiler at the Ridge Facility to July 1, 2009 and is extending the deadline to begin reporting NO_x mass emissions and heat input to July 30, 2009 (which is the deadline for submission of the 2009 second quarter emissions report). For similar reasons, EPA is also extending the deadline for CEMS certification, and the deadline for emissions reporting, for SO₂, to July 1 and July 30, 2009 respectively. This will give time for any further proceedings in North Carolina v. EPA and for any further action on the applicability determination.

Conditions of Approval

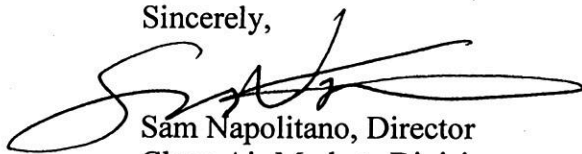
The conditions of this approval are as follows:

1. Ridge shall install and certify the required CEMS for the Ridge Boiler's NO_x mass emissions, SO₂ mass emissions, and heat input by July 1, 2009 and shall begin electronic reporting of the unit's NO_x mass emissions, SO₂ mass emissions, and heat input data to EPA, in accordance with the CAIR trading programs (40 CFR part 96, subparts HH, HHH, and HHHH) by July 30, 2009. However, Ridge's emissions reporting by July 30, 2009 shall include emissions data for both the first and second quarters of 2009. For operating hours lacking quality-assured data, Ridge shall use the applicable substitute data provisions, but, under the CAIR trading program regulations, may petition EPA to use alternative substitute data.
2. Notwithstanding paragraph 1 above, Ridge shall be exempt from the requirements of that paragraph if EPA determines before July 1, 2009 that the Ridge Facility boiler is not subject to the CAIR NO_x annual and ozone season and SO₂ trading programs.

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Of course, the requirements under paragraph 1 of this petition approval, like all requirements under the CAIR trading programs, will be affected by, and are subject to, the final disposition of the issues in North Carolina v. EPA, No. 05-1244. If you have any questions regarding this correspondence, please contact Venu Ghanta of my staff, at (202) 343-9009. Thank you for your continued cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read 'S. Napolitano', with a long horizontal flourish extending to the right.

Sam Napolitano, Director
Clean Air Markets Division

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