



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

JUL 21 2003

OFFICE OF
AIR AND RADIATION

Barry E. Pulskamp
Authorized Account Representative
Cinergy Power Generation Services, LLC
139 East Fourth Street, EA502
P.O. Box 960
Cincinnati, OH 45201-0960

Re: Petition to Delay Installation of Continuous Monitoring Systems
at CG & E's Dick's Creek Generating Station (Facility ID
(ORISPL) 2831), Unit 1

Dear Mr. Pulskamp:

EPA has reviewed your November 11, 2002 petition under §75.66, in which Cincinnati Gas and Electric Company (CG&E) requested an extension of the deadline to install and certify continuous monitoring systems to measure nitrogen oxides (NO_x) emissions from Unit 1 at the Dick's Creek Generating Station. EPA approves the petition, for the reasons discussed below.

Background

Unit 1 at CG&E's Dick's Creek Generating Station in Ohio consists of ten gas-fired combustion turbines serving a common generator. Unit 1 is subject to the NO_x Budget Trading Program, under section 3745-14-08 of the Ohio Administrative Code. Under that regulation, CG&E is required to monitor and report NO_x mass emissions and heat input data in accordance with 40 CFR Part 75, beginning on May 1, 2003. For Unit 1, this would involve either: (1) installing and certifying a NO_x continuous emission monitoring system (CEMS) and a fuel flowmeter; or (2) meeting the requirements of Appendices D and E of Part 75 (if Unit 1 qualifies as a peaking unit under §72.2); or (3) using the optional low mass emissions (LME) methodology in §75.19 (if Unit 1 meets the LME qualification requirements in §75.19(a)).

In the November 11, 2002 petition, CG&E stated its intention to temporarily shut down Unit 1 prior to May 1, 2003 because of low electrical demand. CG&E further stated that it does not plan to operate Unit 1 during the entire 2003 ozone season (i.e., from May 1 through September 30, 2003). In view of these considerations, CG&E requested a one-year extension of the May 1, 2003 deadline to install and certify Part 75-compliant continuous monitoring systems on Unit 1.

EPA's Determination

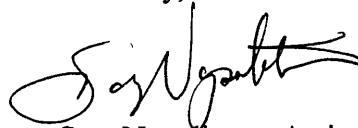
Under the NO_x Budget Trading Program, CG&E is required to comply with Part 75 monitoring requirements for Dick's Creek Unit 1 by May 1, 2003, and must monitor and report any NO_x mass emissions from Unit 1 in any ozone season, starting with the 2003 ozone season. Further, CG&E is required to hold NO_x emission credits (allowances) covering such emissions starting with the 2004 ozone season (May 31 through September 30, 2004).

However, given that CG&E has stated in its November 11, 2002 petition that Unit 1 will be shut down prior to the May 1, 2003 compliance deadline and will remain shut down for the entire 2003 ozone season, and given that certification testing of the monitoring systems cannot be completed unless the unit operates, EPA approves an extension of monitoring certification deadline for Unit 1. However, the Agency is not granting a one-year extension of the deadline as requested by CG&E. Rather, the approved certification deadline is 720 unit operating hours from the hour in which Unit 1 recommences operation after the temporary shutdown.

The extension of the monitor certification deadline is conditioned on the following. If the unit operates in any hour during the 2003 or 2004 ozone season (or in a subsequent ozone season) before the certification of the monitoring systems is completed, CG&E must report the maximum potential NO_x emission rate in accordance Part 75, Appendix A, section 2.1.2.1(b) and the maximum rated unit heat input for any such hour until completion of the monitoring system certifications.

EPA's determination in this letter relies on the accuracy and completeness of CG&E's November 11, 2002 petition and is appealable under Part 78. If you have any questions regarding this correspondence, please contact Louis Nichols at (202) 564-0161.

Sincerely,



Sam Napolitano, Acting Director
Clean Air Markets Division

cc: Cecelia Mijares, Region 5
Todd Brown, Ohio EPA
Louis Nichols, CAMD