



STATE OF CONNECTICUT
DEPARTMENT OF ENVIRONMENTAL PROTECTION



In the matter of)
The State of Connecticut and) Trading Agreement and Order No.8092
The United Illuminating Company)

Whereas, the Commissioner of the Department of Environmental Protection ("Commissioner") and The United Illuminating Company ("UI") agree that it is in the public interest that they work cooperatively to improve the air quality within the State of Connecticut and that the use of emission reduction trading will achieve this result in a timely and cost-effective manner:

A. At the request and with the agreement of UI, the Commissioner finds the following:

- 1. UI is an electric utility in New Haven, Connecticut, which owns and operates three fossil fuel-fired electric generating stations within the state.
2. UI owns and operates the Bridgeport Harbor Station #3, Connecticut Permit 89, in Bridgeport, Connecticut ("BHS3" or "facility"). This facility is a 400 megawatt tangential coal-fired boiler.
3. In December 1993, UI installed a new low-NOx firing system at the facility and has reduced its NOx emission rate below its permitted, allowed and actual 1990 emissions rate.
4. During the year 1990, prior to installation of the new control equipment and based on continuous emission monitoring, the average annual NOx emission rate for BHS3 was 0.56 pounds per million BTU of heat input (MMBTU). This actual emission rate is below the maximum rate allowed by the Connecticut Siting Council for this facility of .6 pounds/MMBTU and the maximum rate of .7 pounds/MMBTU stated in its permit to operate.
5. Between December 1993 and February 28, 1995, BHS3 generated 3267 fewer tons of NOx than would have been emitted without the new control equipment. 1293 fewer tons of NOx were emitted during the ozone season of May 1 to September 30, and 1974 fewer tons were

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emitted during non-ozone season months of October 1 to April 30. BHS3 operates during most hours of the year and the emission reductions are assumed to have been created evenly over the day and month.

6. Ten (10) percent of these reductions (326 tons) are retired and permanently removed from all calculations to assure a benefit to the environment, leaving 2941 tons of emission reduction credits ("ERCs") available for use (1164 ozone season; 1777 non-ozone season).
7. During the months of March, April and May 1995, UI intends to operate BHS3 so that emissions are below its actual 1990 rate of 0.56 pounds/MMBTU. UI will provide an accounting of actual emission reductions to the Department retrospectively and will permanently list ten (10) percent of these emissions as retired for the benefit of the environment.
8. After May 31, 1995, Regulations of Connecticut State Agencies ("Regulations") require that BHS3 emit NOx at a rate no greater than 0.38 pounds/MMBTU. UI intends to operate BHS3 at a rate at or below 0.38 pounds/MMBTU, thereby generating additional emission reductions. UI will provide an accounting of actual reductions to the Department retrospectively, and will permanently list ten (10) percent of these emissions as retired for the benefit of the environment.
9. The emission reductions listed above conform to the requirements of Section 22a-174-22(j)(3) of the Regulations. Specifically, the reductions are:

Real because they result in a reduction of actual emissions released into the air, net of any consequential increase in actual emissions resulting from shifting demand. The emission reductions are properly measured, recorded and reported.

Quantifiable because they are based on Continuous Emission Monitoring Data as applied in an appropriate reliable and replicable protocol, providing the rate and total mass amount of reduction.

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Surplus because they are not required by any Connecticut statute or regulation mandated by a current State Implementation Plan (SIP), and are not currently relied upon in any applicable attainment plan, any reasonable further progress plan or milestone demonstration.

Permanent because the advanced control system is in place and operating and an appropriate tracking system is in place to monitor use of ERCs.

Enforceable because the ERCs are approved by the Commissioner retrospectively.

- B. The Commissioner, in accordance with the provisions of this Trading Agreement and Order, pursuant to Section 22a-174-22(d)(4) of the Regulations, will allow approved sources within Connecticut to use 2941 tons of NOx ERCs for purposes of compliance under Section 22a-174-22(j) of the RCSA to achieve a portion of the nitrogen oxide emission reductions required by this Regulation. The Commissioner agrees that once the ERCs have been created, they shall remain valid until they are used or until April 30, 1999, whichever occurs first. After full program review and if determined to be appropriate, the Commissioner may allow the use of these ERCs beyond April 30, 1999.

Upon sufficient documentation as prescribed below, the Commissioner will provide written approval of additional ERCs retrospectively on a quarterly basis for reductions occurring after March 1, 1995.

- C. Acting under Sections 22a-6, 22a-171, 22a-174, 22a-176, and 22a-177 of the Connecticut General Statutes, the Commissioner orders and the parties agree as follows:

1. No later than August 31, 1995, UI shall provide monthly operating reports of actual fuel use at BHS3 for the months of March, April, and May 1995, emissions, and will include a calculation of ERCs, using a baseline of .56 pounds/MMBTU net of the ten (10) percent environmental discount.

No later than August 31, 1995, UI shall provide a monthly operating report of actual fuel use at BHS3 for the month of June 1995, emissions, and will

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state in writing the reasons for the noncompliance or delay and propose, for the review and written approval of the Commissioner, dates by which compliance will be achieved, and UI shall comply with any dates which may be approved in writing by the Commissioner. Notification by UI shall not excuse noncompliance or delay, and the Commissioner's approval of any compliance dates proposed shall not excuse noncompliance or delay unless specifically so stated by the Commissioner in writing.

5. Certification of documents. Any document, including but not limited to any notice, which is required to be submitted to the Commissioner under this Trading Agreement and Order shall be signed by the chief executive officer of UI or a duly authorized representative of such officer, as those terms are defined in Section 22a-430-3(b)(2) of the Regulations, and by the individual or individuals responsible for actually preparing such document, each of whom shall certify in writing as follows:

"I have personally examined and am familiar with the information submitted in this document and all attachments thereto, and I certify that based on reasonable investigation, including my inquiry of those individuals responsible for obtaining the information, the submitted information is true, accurate and complete to the best of my knowledge and belief. I understand that any false statement made in the submitted information may be punishable as a criminal offense, in accordance with Section 22a-6 of the Connecticut General Statutes, or pursuant to Section 53a-157 of the Connecticut General Statutes, and in accordance with any other applicable statute."

6. Final Agreement and Order. This Trading Agreement and Order is the final agreement and order by and between the Commissioner and UI with respect to the matters addressed herein, and shall not be modified without the written agreement of both parties.
7. False statements. Any false statement in any information submitted pursuant to this Trading Agreement and Order may be punishable as a criminal offense under Section 22a-175 of the Connecticut

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respect to these ERCs.

- 14. Notice to Commissioner of changes. Within fifteen (15) days of the date UI becomes aware of a change in any information submitted to the Commissioner under this Trading Agreement and Order, or that any such information was inaccurate or misleading or that any relevant information was omitted, UI shall submit the correct or omitted information to the Commissioner.
- 15. Submission of documents. Any document required to be submitted to the Commissioner under this Trading Agreement and Order shall, unless otherwise specified in writing by the Commissioner, be directed to:

Ms. Wendy Jacobs
 Department of Environmental Protection
 Bureau of Air Management
 Engineering and Enforcement Division
 79 Elm Street
 Hartford, Connecticut 06106

UI consents to the issuance of this Trading Agreement and Order without further notice. The undersigned certifies that he/she is fully authorized to enter into this Trading Agreement and Order and to legally bind UI to the terms and conditions of the Trading Agreement and Order.

The United Illuminating Company

Signature: David W. Hoskinson
 Type Name: David W. Hoskinson
 Type Title: Vice President, Generation
 Date: May 15, 1995

Issued as a final consent order of the Commissioner of Environmental Protection on May 18, 1995, 1995.

Sidney J. Holbrook

Sidney J. Holbrook
 Commissioner

CITY OF BRIDGEPORT LAND RECORDS
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