



STATE OF CONNECTICUT
DEPARTMENT OF ENVIRONMENTAL PROTECTION



IN THE MATTER OF)
STATE OF CONNECTICUT) TRADING AGREEMENT
AND) AND ORDER NO. 8107
)
)
)
NORTHEAST NUCLEAR ENERGY)
COMPANY)

Whereas, the Commissioner of Environmental Protection ("Commissioner") and North-east Nuclear Energy Company ("NNECO") 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 NNECO, the Commissioner finds the following:
1. NNECO is a Connecticut corporation that owns and operates the Millstone Nuclear Power Station at Rope Ferry Road, Waterford, Connecticut ("Facility").
2. At the Facility, NNECO operates four (4) oil-fired heating boilers ("boilers"), numbers CB1, CB2, CB3, and B&W2 which are projected to emit 18.6 tons per year of nitrogen oxides ("NOx") between June 1, 1995 and May 1, 1999. Pursuant to Regulations of Connecticut State Agencies ("Regulations") Section 22a-174-22, the projected NOx emissions for these same boilers is 15.6 tons (equivalent to 0.25 pounds/million BTU of heat input ["MMBTU"]).
3. Pursuant to Section 22a-174-22(j) of the Regulations, NNECO will need up to 4 tons of approved emission reduction credits ("ERCs"). Approved ERCs are defined for purposes of this order as those for which the Commissioner has provided written authorization for use in compliance with Section 22a-174-22 of the Regulations.
B. The Commissioner, in accordance with the provisions of this Trading Order, and pursuant to Sections 22a-174-22(d)(4) and 22a-174-22(j) of the Regulations,

Initials: JEM

Date: 10/2/95

hereby allows NNECO to use the ERCs referenced in Section A herein, to achieve a portion of the nitrogen oxide emission reduction required by Section 22a-174-22(d)(2) of the Regulations.

Provided that all conditions of this trading order have been, and continue to be, met, an extension of one year until May 31, 1996 is allowed by the Commissioner pursuant to Section 22a-174-22(d)(3) of the Regulations.

- C. With the agreement of NNECO, the Commissioner, acting under Sections 22a-6, 22a-171, 22a-174, 22a-176, and 22a-177 of the Connecticut General Statutes, orders NNECO as follows:
1. After May 31, 1995, NNECO shall have in their possession approved ERCs for the boilers; shall document and record the amounts of all fuel and approved ERCs used by the boilers each month; shall maintain and provide such records in accordance with the following and Section 22a-174-4 of the Regulations, until May 1, 1999; and:
 - a. Before the first day of each month, calculate projected ERCs required for the next calendar month as follows:

For Boilers CB1, CB2 and CB3:

$$\text{ERCs (tons)} = (\text{Estimated Fuel Use in MMBTU} \times (0.33 \text{ lb/MMBTU} - [.95 \times .25 \text{ lb/MMBTU}])/2000 \text{ pounds.}$$

For Boiler B&W2:

$$\text{ERCs (tons)} = (\text{Estimated Fuel Use in MMBTU} \times (0.26 \text{ lb/mMMBTU} - [.95 \times .25 \text{ lb/MMBTU}])/2000 \text{ pounds}$$
 - b. Except as otherwise specified in subparagraphs C.3. and C.4., NNECO shall have in their possession sufficient approved ERCs no later than the first of each calendar month to assure compliance for, at a minimum, that month. Excess credits from previous months can be applied to subsequent months. Approved ERCs shall be acquired for the period beginning June 1, 1995 and ending when NNECO achieves permanent compliance with the emission standard in Section 22a-174-22(e) of the Regulations.
 - c. No later than the tenth day of each month, calculate approved ERCs used in the preceding calendar month;

Initials: JM

- d. Document and record monthly fuel and approved ERCs used;
 - e. No later than March 1, 1996 and on March 1, thereafter until 1999, include with its annual emissions report to the Commissioner, the fuel consumed and approved ERCs used monthly for the previous calendar year.
 - f. Retain records and supporting documentation as described in this section for a minimum of five years, commencing on the date such records were created;
 - g. Maintain documentation to attest to the fact that approved ERCs used during the ozone season were generated during the ozone season. The ozone season is May 1 to September 30 in any calendar year. Generator certification of this fact shall be sufficient; and
 - h. Provide the records specified above to the Commissioner within thirty (30) days of receipt of a written request from the Commissioner.
2. From May 31, 1995 until it meets the requirements of Section 22a-174-22 of the Regulations, NNECO shall comply during operation of each boiler with a full load emission rate limitation of 0.33 lb/MMBTU heat input, averaged on a 24-hour basis for Boilers CB1, CB2, and CB3 and 0.26 lb/MMBTU for Boiler B&W2, averaged on a 24-hour basis.
 3. If NNECO obtains monthly approved ERCs required as described in subparagraph C.1. after September 30, 1995, NNECO shall have in their possession an additional 10% of approved ERCs actually required from June 1, 1995 through the date of the acquisition of approved ERCs.
 4. If NNECO fails to have in their possession approved ERCs by December 31, 1995, NNECO may comply with this Trading Order through the alternative method provided for in Section 22a-174-22(j)(1). Specifically, NNECO may deposit into an escrow account an amount equal to \$2,000 multiplied by the number of pounds per day of NOx emissions reductions needed to achieve compliance with the appropriate emission limitation. For purposes of compliance with this Trading Order, the amount to be deposited shall be converted into a fixed cost per ton of ERC, not to exceed \$2,000 per ton. Modifications to this requirement may be authorized in writing by

Initials: JMDate: 10/2/95

the Commissioner. Failure to obtain approved ERCs or deposit into said escrow account shall result in noncompliance with this order.

5. On or before December 31, 1995, NNECO shall submit a progress report to the Commissioner describing the actions NNECO has taken to comply with this Trading Order to date, including the source of any approved ERCs being used.
6. No later than May 1, 1999, NNECO shall fully comply with the requirements of Section 22a-174-22 of the Regulations unless a written extension of this Trading Order is given by the Commissioner.
7. As used in this Trading Order, "Commissioner" means the Commissioner of Environmental Protection or an agent of the Commissioner.
8. Notification of noncompliance. In the event that NNECO becomes aware that it did not or may not comply, or did not or may not comply on time, with any requirement of this Trading Order or of any document required hereunder, NNECO shall immediately notify the Commissioner and shall take all reasonable steps to ensure that any noncompliance or delay is avoided or, if unavoidable, is minimized to the greatest extent possible. In so notifying the Commissioner, NNECO shall 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 NNECO shall comply with any dates which may be approved in writing by the Commissioner. Notification by NNECO 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.
9. Certification of documents. Any document, including but not limited to any notice, which is required to be submitted to the Commissioner under this Trading Order shall be signed by the chief executive officer of NNECO 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

Initials: JM

Date: 10/2/95

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, pursuant to Section 53a-157 of the Connecticut General Statutes, and in accordance with any other applicable statute.”

10. Final Agreement and Order. This Trading Agreement and Order is the final agreement and order by and between the Commissioner and NNECO with respect to the matters addressed herein, and shall not be modified without the written agreement of both parties.
11. False statements. Any false statement in any information submitted pursuant to this Trading Order may be punishable as a criminal offense under Section 22a-175 of the Connecticut General Statutes or, in accordance with Section 22a-6, under Section 53a-157 of the Connecticut General Statutes.
12. Notice of transfer; liability of NNECO and others. Until May 1, 1999, NNECO shall notify the Commissioner in writing no later than fifteen (15) days after transferring all or any portion of the operations, the Facility or the business which are the subject of this Trading Order, or obtaining a new mailing or location address. NNECO's obligations under this Trading Order shall not be affected by the passage of title to any property to any other person or municipality.
13. Commissioner's powers. Nothing in this Trading Order shall affect the Commissioner's authority to institute any proceeding or take any other action to prevent or abate violations of law, prevent or abate pollution, recover costs and natural resource damages, and to impose penalties for violations of law which are willful or criminally negligent or for which penalties have not been specifically provided in this Trading Order, including but not limited to violations of any permit issued by the Commissioner. If at any time the Commissioner determines that the actions taken by NNECO pursuant to this Trading Order have not fully achieved compliance with Section 22a-174-22(j) of the Regulations, the Commissioner may institute any independent proceeding to require NNECO to undertake further investigation or further action.

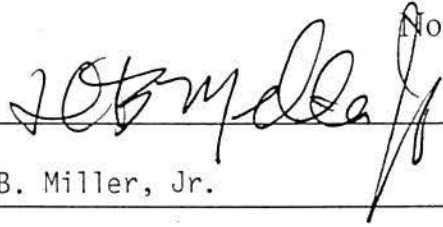
14. NNECO's obligations under law. Nothing in this Trading Order shall relieve NNECO of other obligations under applicable federal, state and local law.
15. Access to records and Facility. Any representative of the Department of Environmental Protection may enter the Facility and inspect and copy records within normal business hours without prior notice for the purposes of monitoring and enforcing the actions required or allowed by this Trading Order.
16. No effect on rights of other persons. This Trading Order shall neither create nor affect any rights of persons who or municipalities which are not parties to this Trading Order.
17. Notice to Commissioner of changes. Within fifteen (15) days of the date NNECO becomes aware of a change in any information submitted to the Commissioner under this Trading Order, or that any such information was inaccurate or misleading or that any relevant information was omitted, NNECO shall submit the correct or omitted information to the Commissioner.
18. Submission of documents. Any document required to be submitted to the Commissioner under this Trading 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

Initials: JM

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

Northeast Nuclear Energy Company


Signature: 

Type Name: D.B. Miller, Jr.

Type Title: Sr. Vice President

Date: October 2, 1995

Issued as a final consent order of the Commissioner of Environmental Protection on 13
Oct, 1995.


Sidney J. Holbrook
Commissioner

TOWN OF Waterford
LAND RECORDS

MAILED CERTIFIED MAIL,
RETURN RECEIPT REQUESTED

Certified Document No. 345 565 587