



STATE OF CONNECTICUT
DEPARTMENT OF ENVIRONMENTAL PROTECTION



In the matter of) TRADING AGREEMENT
) AND ORDER No. 8102
 State of Connecticut)
 and)
 The United Illuminating Company)

Whereas, the Commissioner 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 a B&W steam generator, Connecticut permit 21 (the "boiler"), at the New Haven Harbor Station, in New Haven, Connecticut, which is used as an auxiliary source of steam (heating and process) principally when the main electric generating unit is not operating.
 3. At the facility, UI can burn either #2 or #6 fuel oil in the boiler. When burning #2 oil, the boiler complies with the applicable nitrogen oxide ("NOx") emission rate limit of 0.20 pounds/million BTU of heat input [lb/MMbtu]. UI is presently burning only #2 fuel oil in the boiler. When burning #6 oil, the baseline emission rate for the boiler has been measured at 0.36 lb/MMbtu, in excess of the applicable NOx emission rate limit of 0.25 lb/MMbtu. The 1990 total annual nitrogen oxide ("NOx") emissions were 4.1 tons and in 1994 the total annual emissions were 5.7 tons. Emissions are distributed fairly evenly through the year.
 4. By Trading Agreement and Order No. 8092, dated May 18, 1995, 2941 tons of NOx emission reduction credits ("ERCs") created by UI were approved by the Commissioner for use by approved sources. Addendum 1 to Order No. 8092 approved an additional 754 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 of Connecticut State Agencies ("Regulations"). UI plans

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to use its own approved ERCs for compliance purposes at the facility, when and if UI chooses to burn #6 fuel oil.

- 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, hereby allows UI 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 the Regulations, Section 22a-174-22(d)(3).

- C. With the agreement of UI, the Commissioner, acting under Sections 22a-6, 22a-171, 22a-174, 22a-176, and 22a-177 of the Connecticut General Statutes, orders UI as follows:

1. After May 31, 1995, UI shall have in its possession approved ERCs and shall document and record the amounts of all fuel and ERCs used by the boiler each month, and shall maintain and provide such records in accordance with the following and Section 22a-174-4 of the Regulations, until April 30, 2000:
 - a. Before the first day of each month, calculate projected ERCs required for the next calendar month for the boiler as follows:
$$\text{ERCs (tons)} = (\text{Estimated Fuel Use in MMBtu} \times (.36 \text{ lb/MMbtu} - [.95 \times .25 \text{ lb/MMbtu}])) / 2000 \text{ pounds};$$
 - b. Document that sufficient approved ERCs are available for the boiler no later than the first of each calendar month to assure compliance for, at a minimum, that calendar month;
 - c. No later than the tenth day of each month, calculate ERCs used in the preceding calendar month;
 - d. Document and record monthly consumption of fuel and ERCs;
 - e. No later than March 1, 1996, 1997, 1998, 1999, and 2000, UI shall include with its annual emissions report to the Commissioner, the monthly rate of fuel consumption for the boiler and ERCs used by the boiler for the previous calendar year;

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- 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 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. Prior to May 1, 1999 UI shall comply during operation with a full load emission rate limit of 0.36 lb/MMbtu heat input, averaged on a 24-hour basis.
 3. No later than May 1, 1999, UI shall comply with the requirements of Section 22a-174-22(d)(2) of the Regulations, as described in UI's September 1, 1994 compliance plan, incorporated by reference herein. However, after full program review of this and other trading orders and, if determined to be appropriate, the Commissioner may grant a written extension of this trading order.
 4. On or before December 31, 1998, UI shall submit a report to the Commissioner describing the status of the installation of new equipment on the boiler in order to meet the emission limitations specified in Section 22a-174-22(d)(2) of the Regulations or an alternative method of compliance with Section 22a-174-22 of the Regulations, including an extension of this trading order.
 5. As used in this Trading Order, "Commissioner" means the Commissioner of Environmental Protection or an agent of the Commissioner.
 6. Notification of noncompliance. In the event that UI 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, UI 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, UI shall state in writing the reasons for the noncompliance or delay and propose, for the review and written approval of the Commissioner,

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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.

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

8. 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.
9. 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.
10. Notice of transfer; liability of UI and others. Until May 1, 1999, UI 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. UI's

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obligations under this Trading Order shall not be affected by the passage of title to any property to any other person or municipality.

11. 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 UI 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 UI to undertake further investigation or further action.
12. UI's obligations under law. Nothing in this Trading Order shall relieve UI of other obligations under applicable federal, state and local law.
13. 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.
14. 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.
15. 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 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.
16. 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:

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The United Illuminating
Company

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TRADING AGREEMENT AND
ORDER NO. 8102

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

The United Illuminating Company

Signature: *Albert N. Henricksen*
Type Name: Albert N. Henricksen
Type Title: Vice-President Administration
Date: December 1, 1995

Issued as a final consent order of the Commissioner of Environmental Protection on 15 Dec, 1995.

Sidney J. Holbrook
Sidney J. Holbrook
Commissioner

CITY OF New Haven
LAND RECORDS

MAILED CERTIFIED MAIL,
RETURN RECEIPT REQUESTED

Certified Document No.

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