



STATE OF CONNECTICUT
DEPARTMENT OF ENVIRONMENTAL PROTECTION



STATE OF CONNECTICUT)
AND) Trading Agreement and
SIMKINS INDUSTRIES) Order NO. 8113

Whereas, the Commissioner of Environmental Protection ("Commissioner") and Simkins Industries ("Simkins") 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 emissions averaging ("averaging") and emission reduction credit ("ERC") trading will achieve this result in a timely and cost-effective manner:

- A. At the request and with the agreement of Simkins, the Commissioner finds the following:
1. Simkins is a Delaware corporation that operates a manufacturing facility in New Haven, Connecticut ("facility").
 2. At the facility, Simkins operates one dual-fuel burning boiler Bigalow #4 ("Boiler") capable of burning natural gas or No. 6 fuel oil, which is subject to Section 22a-174-22, Regulations of Connecticut State Agencies ("Regulations") pertaining to the control of nitrogen oxide emissions ("NOx").
 3. Official U.S. Environmental Protection Agency ("EPA") Reference Method 7 stack testing completed March 14, 1995, show the NOx emission rate to be 0.335 lbs/MMBtu, when firing #6 oil, which is in excess of Table 22-2, Section 22a-174-22 of the Regulations rate limit of 0.25 lbs/MMBtu which resulted in 5.13 tons of excess NOx emissions for three months (December, 1995, and January and February, 1996) during the non-ozone season.
 4. On April 18, 1996, to achieve compliance with the emission limitations specified in Section 22a-174-22(e) of the Regulations, Simkins made adjustments to its burners and retested. Based on official EPA Reference Method 7 stack testing conducted by Eastmont Engineering, Inc. the NOx emission rate was 0.236

Respondent's Initials ASD

Date 10/22/96

lbs/MMBtu, which is in compliance with Section 22a-174-22 of the Regulations.

5. For the period of excess emissions, Simkins proposes to comply with Section 22a-174-22 of the Regulations through emissions averaging and emission reduction trading in accordance with Sections 22a-174-22 (d) (4) and (j) of the Regulations.
 6. On May 21, 1996, pursuant to emission reduction trading Section 22a-174-22(j) of the Regulations, Simkins acquired 7 tons of approved non-ozone season ERCs from The United Illuminating Company to be used, as required, to offset excess emissions.
 7. The use of emission reduction trading and emission averaging are forms of emission trading as defined in the EPA Economic Incentive Plan rules, 40 C.F.R. § 51.493 et seq. Simkins will use emission reduction trading in conjunction with its emission averaging plan to over comply (i.e., operate below allowable emission limits set forth in § 22a-174-22 of the Regulations) to provide a benefit to the environment as specified in paragraph A.8.
 8. Simkins will over comply with the requirements of § 22a-174-22 of the Regulations by using the discounts, emission limitations and design margins specified in this order.
- B. The Commissioner, in accordance with the provisions of this trading agreement and order, and pursuant to §§ 22a-174-22 (d) (4), (e) and (j) of the Regulations hereby allows Simkins to comply with § 22a-174-22 of the Regulations through use of averaging and ERC trading and applicable emission limitations at the facility as provided herein.
- C. With the agreement of Simkins, the Commissioner, acting under the Connecticut General Statutes §§ 22a-6, 22a-171, 22-174, 22a-176, and 22a-177, orders Simkins as follows:

1. Averaging and ERC trading:

After May 31, 1995, and until April 18, 1996, Simkins shall acquire approved emission reduction credits (ERCs) and use averaging and ERC trading to comply with the NO_x emission rate limitations, based on a monthly average, as follows:

Averaging set and requirements.

Averaging Set. The Simkins averaging set is defined to be the following sources: boiler #4, (see Table 1).

NO_x emission rate limitations:

- RACT rate = Emission rate limits shown in Table 1 of this order (based on § 22a-174-22, Table 22-2 of the Regulations).
- FLER = full load emission rate as shown in Table 1 of this order
- Discount = includes 20% discount on RACT rate for credits, and a 10% discount and a 5% design margin on RACT rate for debits.

Simkins shall:

- a. Acquire sufficient approved ERCs to assure that an adequate number of ERCs are available at least 24 hours prior to use for each monthly averaging period.
- b. For the months of June, 1995, through May, 1996, the purchase and retirement of approved ERCs must be completed no later than May 31, 1996. Simkins shall purchase and retire an additional thirty-five (35)% of ERCs actually required from June 1, 1995 through the date of acquisition of ERCs.
- c. No later than the tenth day of each month, beginning the month after issuance of this Trading agreement and order, calculate ERCs used in the preceding calendar month, as follows:

(1) Simkins will calculate the Total monthly Averaging Credits available from the combustion of natural gas in the Averaging Set (as defined in Paragraph C.1.). The Total Monthly Averaging Credits shall be the sum of the Averaging Credits during that month calculated for the boiler as follows:

Monthly Averaging Credits (tons) = [fuel use in MMBtu x ((0.80* x 0.20 lb/MMBtu) - FLER** in lb/MMBtu)] ÷ 2000 pounds/ton.

* includes 20% averaging credit discount

** Full Load Emission rate ("FLER") (see par. D.1. Table 1)

(2) Simkins will calculate the Total Monthly Averaging Debits (*negative number*) generated from the combustion of #6 fuel oil in the boiler. The Total Monthly Averaging Debits shall be the sum of the Averaging Debits during that month calculated for the boiler as follows:

Monthly Averaging Debits (tons) = [#6 Oil use in MMBtu x (.85** x 0.25 lb/MMBtu) - FLER in lb/MMBtu] ÷ 2000 pounds/ton.

** includes a 10% averaging debit discount + 5% design margin

(3) Simkins will calculate the Net Monthly Averaging Debit for each calendar month as follows:

Net Monthly Averaging Debit = the sum of the Total Monthly Averaging Debits (*negative number*) plus the Total Monthly Averaging Credits. No approved ERCs will be required for emissions in any month during which there are more Monthly Averaging Credits than Monthly Averaging Debits. Net Monthly Averaging Credits may not be carried forward to the next month.

(4) For each month with a Net Monthly Averaging Debit, the amount of ERCs required for such month shall equal the Net Monthly Averaging Debit. The total amount of approved ERCs used and permanently retired each month shall be equal to the sum of the ERCs required for each month. Non-ozone season approved ERCs shall be used only in the non-ozone season

- d. The above calculations will be performed on forms prescribed by the Commissioner for the boiler using actual fuel consumption records.
- e. Simkins shall document and record fuel consumption, heat input, and NO_x emissions for the boiler on a monthly basis, and will maintain records of the amounts of fuel used by the boiler and the credits and debits generated for emission averaging purposes on a monthly basis. Simkins shall maintain documentation regarding the number of ERCs in its possession and used each month, as well as information to attest to the fact that

ERCs used during the ozone season were generated during the ozone season. All records shall be maintained in accordance with §§ 22a-174-4 and 22a-174-22 of the Regulations and will be provided to the Commissioner within thirty (30) days of receipt of a written request from the Commissioner.

D. Boiler Restrictions and annual emissions cap.

1. In addition to the averaging and ERC trading requirements for the boiler contained in Sections C.1. of this Trading agreement and order, the boiler shall not exceed the FLERs and operating restrictions shown in Table 1 below:

Table 1 Simkins - FLERs and RACT emission limits			
UNIT	FUEL	FLER (lb/MMBtu)	RACT Rate (lb/MMBtu)
Boiler #4 CT Reg. # R-673	No. 6 oil	0.340	0.25
	Natural Gas	0.130	0.20

2. To prevent exceeding the lower of historic actual or allowable (as listed in Table 22-1, Section 22a-174-22 of the Regulations) emission levels ("historic levels"), the total actual emissions shall not exceed historic levels as shown below:

Simkins NO_x emissions shall not exceed 197.2 tons per year, based on the 1992 historic level.

- Approved ERCs may be used to offset emissions above the historic level; however, said ERCs shall be separate from ERCs and/or averaging credits used for meeting emission rate limits specified in Table 22-2, Section 22a-174-22 of the Regulations. The quantity of ERCs required to offset excess emissions above the historic level shall equal the difference between the total actual emissions (in tons) and the historic level (in tons).

For purposes of calculating total emissions, only emissions from sources in each averaging set shall be included; emissions used shall be for a calendar year, based on most recent official stack test results, beginning in calendar year 1996. Approved ERCs shall

be in Simkins's possession before the historic level is exceeded.

E. Other Requirements.

1. No later than 30 days after the execution of this order (for 1995 and 1996 emissions to the execution date) and no later than March 1, 1997, 1998, 1999, and 2000, Simkins shall submit to the Commissioner a report on NO_x emissions and the quantity of fuel consumed, by type, ERCs purchased and used, for the boiler during the previous 12 month calendar year. This report shall include a demonstration that the boiler has achieved compliance with conditions of this order for each month.

2. Simkins shall retain records and supporting documentation as described in this Trading agreement and order for a minimum of five years. Simkins shall provide records specified above to the Commissioner within thirty (30) days of receipt of a written request from the Commissioner.

3. Definitions. As used in this order,

"Commissioner" means the Commissioner of Environmental Protection or an agent of the Commissioner.

"Ozone season" means the period between May 1 and September 30 in any given calendar year.

"Approved emission reduction credits" are those for which the Commissioner has provided written authorization for use in compliance with § 22a-174-22 of the Regulations.

"Official Stack Test" is a NO_x test procedure meeting all requirements of § 22a-174-5 and § 22a-174-22 of the Regulations and which has been reviewed and approved by the Commissioner.

"Fuel-burning equipment" is defined in § 22a-174-1 of the Regulations.

4. Notification of noncompliance. In the event that Simkins 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 agreement and order or of any document required hereunder, Simkins 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, Simkins 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 Simkins shall comply with any dates which may be approved in writing by the Commissioner. Notification by Simkins 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 a responsible corporate officer of Simkins 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."

6. Dates. The date of submission to the Commissioner of any document required by this Trading Agreement and Order shall be the date such document is received by the Commissioner. The date of any notice by the Commissioner under this trading agreement and order, including but not limited to notice of approval or disapproval of any document or other action, shall be the date such notice is personally delivered or the date three (3) days after it is mailed by the Commissioner, whichever is earlier. Except as otherwise specified in this trading agreement and order, the

word "day" as used in this trading agreement and order means calendar day. Any document or action which is required by this trading agreement and order to be submitted or performed by a date which falls on a Saturday, Sunday or a Connecticut or federal holiday shall be submitted or performed on or before the next day which is not a Saturday, Sunday or Connecticut or federal holiday.

7. Final Agreement and Order. This Trading agreement and order is the final agreement and order by and between the Commissioner and Simkins with respect to the matters addressed herein, and shall not be modified without the written agreement of both parties.
8. 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 General Statutes or, in accordance with Section 22a-6, under Section 53a-157 of the Connecticut General Statutes.
9. Notice of transfer; liability of Simkins and others. Until May 1, 1999, and in accordance with Public Act 95-218, Simkins shall notify the Commissioner in writing at least thirty (30) days prior to transferring any license held by Simkins to any other party and 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 agreement and order, or obtaining a new mailing or location address. Simkins's obligations under this Trading agreement and order shall not be affected by the passage of title to any property to any other person or municipality. Any future owner of the facility may be subject to the issuance of an order from the Commissioner.
10. Commissioner's powers. Nothing in this Trading agreement and 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 agreement and 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 Simkins pursuant to this Trading agreement and order have not fully achieved compliance with Section 22a-174-22 of the Regulations, the Commissioner may institute any independent proceeding to require Simkins to undertake further investigation or further action.

11. Simkins's obligations under law. Nothing in this Trading agreement and order shall relieve Simkins of other obligations under applicable federal, state and local law.
12. Access to records and premise. 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 agreement and order.
13. No effect on rights of other persons. This Trading agreement and order shall neither create nor affect any rights of persons who or municipalities which are not parties to this Trading agreement and order.
14. Notice to Commissioner of changes. Within fifteen (15) days of the date Simkins 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, Simkins 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:

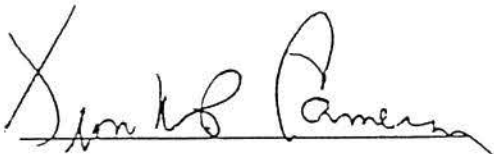
Mr. Roland L. Severance, Jr., P.E.
Department of Environmental Protection
Bureau of Air Management, Engineering and
Enforcement
79 Elm Street
Hartford, Connecticut 06106

Simkins

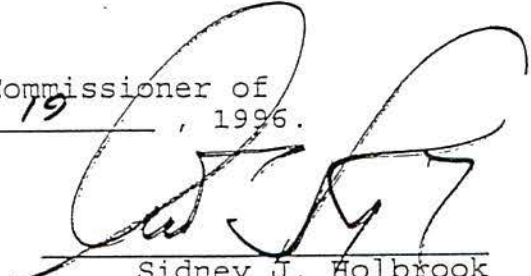
TRADING AGREEMENT AND ORDER NO. 8113

Simkins 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 Simkins to the terms and conditions of the Trading agreement and order.

By Simkins Industries

Signature: 
 Typed Name: Frank F. Camera
 Title: Gen. Mgr.
 Date: 10/22/96

Issued as a final consent order of the Commissioner of Environmental Protection on November 19, 1996.


 Sidney J. Holbrook
 Commissioner

CITY OF NEW HAVEN
LAND RECORDS

MAILED CERTIFIED MAIL,
RETURN RECEIPT REQUESTED

Certified Document

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