



STATE OF CONNECTICUT
DEPARTMENT OF ENVIRONMENTAL PROTECTION



In the Matter of)
)
State of Connecticut)
And)
South Norwalk Electric Works)

TRADING AGREEMENT AND
ORDER NO. 8118

Whereas, the Commissioner of Environmental Protection ("Commissioner") and South Norwalk Electric Works ("SNEW"), a municipal utility, 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; and

Whereas, SNEW as a municipal utility has unique capabilities to further the advancement of low emission technology and innovative program advancement both as a consumer and as a provider; and

Whereas, SNEW has agreed to implement four pioneering projects aimed toward the advancement of electric powered vehicles in the Norwalk region ; and

Whereas, this environmentally-beneficial electric powered vehicles program, which entails the placement of three electric vehicle charging stations in the commuter parking garage of the South Norwalk Railroad Station to encourage commuter use of electric vehicles, the electric power retrofit of a van-type vehicle owned and operated by the Norwalk Transit District along with a recharging station to facilitate its regional use, the conversion of Norwalk Police Department bicycle patrol vehicles to supplementary electric power along with a recharging station in the bicycle patrol headquarters, and the utilization of an electric powered mobile meter testing and repair station vehicle, will help to promote the air quality for all the citizens of the state;

A. Therefore, at the request and with the agreement of SNEW, the Commissioner finds the following:

1. SNEW is a municipal utility which owns and operates an electric power plant at State Street, Norwalk, Connecticut ("facility").
2. At the facility, SNEW operates six (6) diesel-fired stationary internal combustion engines ("engines"), numbers 1, 2, 3, 4, 5, and 6, which are projected to emit approximately 33 tons per year of nitrogen oxides ("NOx") calculated on a mass basis between June 1, 1995 and April 30, 1999. Pursuant to Section 22a-174-22, Regulations of Connecticut State Agencies ("Regulations"), the allowable limit of NOx emissions for these engines is 22 tons (equivalent to 2.56 pounds/million BTU of heat input [MMBtu]).

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Pursuant to Section 22a-174-22 (e) (2) of the Regulations, reciprocating engines burning distillate fuel, a limit of 8 gm/bk hp-hr converted to lbs/MMBtu of heat input using an average generator efficiency of 37 percent (.37) would be equal to 2.56 lb/MMBtu of heat input.

3. Pursuant to Section 22a-174-22 (j) of the Regulations, SNEW has acquired at least 14 tons of approved emission reduction credits ("ERCs") for expected use through May 1996 to meet the emissions limitations as calculated on a mass basis. As provided for in this Trading Agreement and Order, the mass basis formula is defined in the State of Connecticut Department of Environmental Protection's Policy Statement *Credit Trading For Sources With Irregular NOx Emissions, Section 1 (a)*, incorporated into this Trading Agreement and Order as Exhibit 1. 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
4. Because the peak emissions on ozone exceedance days from the engines will exceed SNEW's mean ozone-season emissions by more than a factor of three, SNEW would normally be required to follow the formula prescribed in the State of Connecticut Department of Environmental Protection's Policy Statement *Credit Trading For Sources With Irregular NOx Emissions, Section 1 (b)*, Exhibit 1. Under this policy, it is projected SNEW would need to purchase 35 peak tons in 1995 (the estimated maximum potential requirement). For 1995, 14.5 tons would be used on an annual peak rate basis and 11 tons on a mass basis. 20.5 tons would remain to be carried over into the 1996 year, requiring that an additional 14.5 tons of credits be purchased for 1996 in order to maintain an ozone season starting balance of 35 peak tons. Equal amounts would be expected to be purchased in 1997 and 1998. Total purchases through April, 1999, would be 78.5 tons. As 44 tons are expected to be utilized to meet the mass requirements of 11 tons a year over four years, a difference of 34.5 tons would remain.

As an alternative to this peak rate tonnage purchase requirement, SNEW has proposed and agreed to implement an environmentally-beneficial program aimed at reducing the emissions of NOx and other ozone precursors from mobile sources in the state through the implementation of pioneering projects aimed at promoting the use of electric powered vehicles and refining the technology of recharging stations. The basis for calculating the investment in this alternative project shall

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be the 34.5 ton remainder as calculated herein.

- B. The Commissioner, in accordance with the provisions of this Trading Agreement and Order, and pursuant to Sections 22a-174-22 (d) (4) and 22a-174-22 (j) of the Regulations, hereby allows SNEW to use the ERCs referenced in Section A (3), (4) herein, to achieve a portion of the nitrogen oxide emission reduction required by Section 22a-174-22 (d) (2) of the Regulations. Additionally, the Commissioner hereby allows SNEW to use a monetary investment of not less than \$ 25,875.00 in the environmentally-beneficial project referenced in Section A (4) herein and incorporated by reference into this Trading Agreement and Order by Exhibit 2, as a substitute for a portion of the nitrogen oxide emission reduction required by Section 22a-174-22 (d) (2) of the Regulations.

In recognition that the trading provisions of these Regulations have not yet been approved by the Environmental Protection Agency and 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, Sections 22a-174-22 (d) (3) and 22a-174-22 (k) (5).

- C. With the agreement of SNEW, the Commissioner, acting under Sections 22a-6, 22a-171, 22a-174, 22a-176, and 22a-177 of the Connecticut General Statutes, orders SNEW as follows:
1. After May 31, 1995, SNEW shall acquire approved ERCs sufficient to achieve the NOx reduction required and document and record the amounts of all fuel and ERCs used by the engines each month, and shall maintain and provide such records in accordance with Section 22a-174-4 of the Regulations, until May 1, 1999 and shall:
 - a. Before the first day of each month, calculate projected ERCs required for the next calendar month based on fuel use and emission rates as follows:

$$\text{ERCs (tons)} = (\text{Estimated Fuel Use in MMBtu} \times (\text{Full Load Emissions Rate in lb/MMBtu} - [.95 \times 2.56 \text{ lb/MMBtu}])) / 2000 \text{ pounds}$$

Where, Full Load Emissions Rate in lb/MMBtu is as follows:

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2. Prior to May 1, 1999, provided that all of the conditions of the Trading Agreement and Order have been met, SNEW shall comply during operation of each engine with a full load emission rate limitation as specified in Section C (1) (a) above, averaged on a 24-hour basis.
3. In addition to acquiring and using ERCs as required in Section C (1) of this Trading Agreement and Order, SNEW shall implement, in accordance with a Schedule approved by the Commissioner, the supplemental program incorporated by reference into this Trading Agreement and Order by Exhibit 2. This program is designed in four parts which include: 1.) the construction and operation of three electric vehicle charging stations to complement a commuter electric vehicle project; 2.) the electric power retrofitting of a Norwalk Transit District van and the construction of a recharging station in the Transit District Headquarters; 3.) the evaluation of the feasibility and implementation of supplementary power to Norwalk Police Department Bicycle Patrol vehicles along with the installation of a recharging station in the patrol headquarters; and 4.) the investigation into the feasibility of utilizing an electric powered mobile meter testing and repair station vehicle.

Should all the elements described above not be completed by May 1, 1997, SNEW shall immediately purchase 34.5 tons of ERCs for use as required by Section 22a-174-22 (d) (2) of the Regulations.

Commencing ninety (90) days after issuance of this Trading Agreement and Order, SNEW shall provide to the Commissioner semi-annual reports documenting the progress as well as all expenditures to date. See Exhibit 2, page 2.

4. SNEW shall not conduct routine testing of the engines during days when ambient ozone is classified by the Commissioner as "moderate to unhealthy", "unhealthy", or "very unhealthy".
5. As used in this Trading Order, "Commissioner" means the Commissioner of Environmental Protection or an agent of the Commissioner.

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6. Notification of Noncompliance. In the event that SNEW 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, SNEW 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, SNEW shall state in writing the reasons for noncompliance or delay, and propose, for the review and written approval of the Commissioner, dates by which compliance will be achieved, and SNEW shall comply with any dates which may be approved in writing by the Commissioner. Notification by SNEW 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 Agreement and Order shall be signed by the chief executive officer of SNEW 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 SNEW with respect

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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 Agreement and Order.
14. 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.
15. Notice to Commissioner of changes. Within fifteen (15) days of the date on which SNEW 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, SNEW 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 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
79 Elm Street
Hartford, Connecticut 06106

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SNEW 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 SNEW to the terms and conditions of the Trading Agreement and Order.

Signature: 

Type Name: Larry Rossi

Type Title: General Manager

Date: February 7, 1996

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



Sidney J. Holbrook
Commissioner

CITY OF Norwalk
LAND RECORDS
MAILED CERTIFIED MAIL,
RETURN RECEIPT REQUESTED
Certified Document No.