

## **EXHIBIT E**

### **HEARING REPORT**

**Prepared Pursuant to Section 4-168(d) of the  
Connecticut General Statutes and  
Section 22a-3a-3(d)(5) of the Department of Environmental Protection Rules of Practice**

**Regarding the  
Amendment of Sections 22a-174-1, 22a-174-3b(c)(1), 22a-174-3b(c)(3), 22a-174-3c(b)(2) and  
(3), 22a-174-3c(b)(6), 22a-174-19a(a), 22a-174-19a(e) and (f), 22a-174-19a(g)(3),  
22a-174-19a(h), 22a-174-19a(i)(2), 22a-174-22c and 22a-174-38(g) and (i)(3) of the  
Regulations of Connecticut State Agencies (RCSA); and  
Repeal of RCSA Section 22a-174-25**

**Hearing Officer:  
Merrily A. Gere**

**Date of Hearing: July 30, 2009**

On June 3, 2009, the Commissioner of the Department of Environmental Protection (DEP) signed a notice of intent to amend various sections of the Regulations of Connecticut State Agencies (RCSA), namely sections 22a-174-1, 22a-174-3b(c)(1), 22a-174-3b(c)(3), 22a-174-3c(b)(2) and (3), 22a-174-3c(b)(6), 22a-174-19a(a), 22a-174-19a(e) and (f), 22a-174-19a(g)(3), 22a-174-19a(h), 22a-174-19a(i)(2), 22a-174-22c and 22a-174-38(g) and (i)(3), and to repeal RCSA section 22a-174-25. Pursuant to such notice, a public hearing was held on July 30, 2009, with the public comment period closing on August 3, 2009.

#### **I. Hearing Report Content**

As required by section 4-168(d) of the Connecticut General Statutes (CGS), this report describes the proposal, identifies the principal reasons in support of the proposal, and summarizes and responds to the comment on the proposal. A final recommended version of the text is also provided.

A statement in satisfaction of CGS section 22a-6(h) is included as Attachment 1.

#### **II. Summary of Proposal**

This proposal comprises a series of minor and generally technical changes to the air quality regulations. The changes are summarized as follows:

- RCSA section 22a-174-1 sets out definitions of general applicability to the air quality regulations. This proposal adds definitions of “brush,” “distillate oil” and “biodiesel

fuel;” revises the definitions of “incinerator” and “residual oil;” and deletes the definition of “multiple-chamber incinerator.”

- RCOSA sections 22a-174-3b and 22a-174-3c are revised to specify that small boilers, heaters, drying ovens and furnaces may combust biodiesel fuel blends when operating under RCOSA sections 22a-174-3b and 22a-174-3c.
- The definition of “affected unit” in RCOSA section 22a-174-19a(a) is replaced with a definition independent of a reference to another regulation but describing the same group of emissions units. Other definitions in RCOSA section 22a-174-19a(a) are eliminated consistent with proposed deletions.
- Obsolete portions of RCOSA section 22a-174-19a are deleted. The obsolescence results from prohibitions on emissions trading established in CGS section 22a-198 or, for subsection (f), the passage of time.
- In RCOSA section 22a-174-22c, a formula allocating allowances from the energy efficiency and renewable energy set-aside is corrected. Also, the date of reference for federal regulations incorporated into RCOSA section 22a-174-22c is changed to take into account revisions to the referenced federal regulations, which occurred after the adoption of RCOSA section 22a-174-22c.
- RCOSA section 22a-174-25, which serves only to designate an effective date of June 1, 1972 for certain defunct regulations, is repealed.
- RCOSA section 22a-174-38 is revised to correct minor inconsistencies resulting from a July 2008 amendment.

The text of the proposal is set out in Attachment 2 of this report.

### **III. Opposition to Proposal**

No comments opposed DEP’s intent to seek final adoption of this proposal. No component of the proposal was opposed in comment.

### **IV. Summary of Comments**

Written comments were received only from:

Anne Arnold, Manager  
 Air Quality Planning Unit  
 U.S. Environmental Protection Agency  
 Region 1  
 One Congress Street Suite 1100  
 Boston, MA 02114-2023

#### **General comment**

**Comment:** EPA noted that the proposal is comprised of improvements or appropriate updates to the regulations and requires no specific comment.

**Response:** CTDEP notes EPA’s classification of the proposal as improving and updating the air quality regulations.

**Additional Comment of Hearing Officer**

The definition of “emission limitation” in RCSA section 22a-174-1 contains a misprint, which should be corrected, as follows:

(37) “Emission limitation” and “Emission standard” means “~~emissions~~ **emission** limitation” and “emission standard” as defined in 40 CFR 51.100(z).

**V. Conclusion**

Based upon the comments addressed in this Hearing Report, I recommend the proposal be revised as recommended herein and that the recommended final proposal, included as Attachment 3 to this report, shall be submitted by the Commissioner for approval by the Attorney General and the Legislative Regulations Review Committee and upon adoption, certain provisions be submitted to the U.S. Environmental Protection Agency as a revision to the State Implementation Plan.

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/s/Merrily A. Gere  
Hearing Officer

August 19, 2009  
Date

## ATTACHMENT 1

### **Federal Standards Analysis Pursuant to Section 22a-6(h) of the General Statutes Amendment of Sections 22a-174-1, 22a-174-3b, 22a-174-3c, 22a-174-19a, 22a-174-22c, 22a-174-38 and Repeal of Section 22a-174-25 of the Regulations of Connecticut State Agencies**

In accordance with the requirements of section 22a-6(h) of the Connecticut General Statutes (CGS), in the matter of the proposed revision of sections 22a-174-1, 22a-174-3b, 22a-174-3c, 22a-174-19a, 22a-174-22c, 22a-174-38 and repeal of section 22a-174-25 of the Regulations of Connecticut State Agencies (RCSA), the Department of Environmental Protection (DEP) has performed a comparison with federal provisions, which is set out below.

Regarding the addition of or revision to definitions in RCSA section 22a-174-1:

- The definition of “brush” has no federal analogue. DEP is adding the definition of brush in relation to open burning restrictions provided in CGS section 22a-174(f). While the U.S. Environmental Protection Agency (EPA) has approved a number of state open burning programs into State Implementation Plans and operates a certification program for wood stoves, there is no comparable federal program regulating open burning of brush and therefore no analogous definition.
- EPA does categorize oil as distillate, residual or biodiesel in various regulatory and registration programs including new source performance standards (NSPS), national emission standards for hazardous air pollutants and in EPA’s fuels and fuel additives registration program. While the definitions vary in some minor respects, most federal definitions rely on specifications of ASTM International to define fuel types. Those same ASTM International fuel specifications are the basis for the new definitions and revisions of this proposal.

RCSA sections 22a-174-3b and 22a-174-3c prescribe operating requirements for small boilers, heaters, drying ovens and furnaces, if the owner chooses to operate such equipment under one of those sections. The sections include limitations on the amount or sulfur content of fuel used. The revisions clarify that biodiesel fuel blends are acceptable for use in equipment operated under one of the sections. There is no analogous federal program that provides “permit-by-rule” requirements for similar equipment. EPA has promulgated NSPS for boilers (i.e., 40 CFR 60, subparts D, Da, Db and Dc) that vary with construction date and size. The NSPS generally regulate boilers larger than those eligible for operation under RCSA sections 22a-174-3b and 22a-174-3c and allow for a variety of fuel types.

Regarding the revision of RCSA section 22a-174-19a(a): The definition of “affected unit” in RCSA section 22a-174-19a(a) is replaced with a definition independent of references to other air quality regulations. The revised definition continues to refer to the same group of emissions units, and so the revision does not change the applicability or function of the regulation. As this change is administrative, there are no analogous federal requirements. Other definitions in RCSA section 22a-174-19a are deleted given the concurrent deletion of certain portions of the regulation, including the trading requirements. The deletions are responsive to prohibitions on trading prescribed in CGS section 22a-198, which are state requirements limiting sulfur dioxide

emissions from large power plants. The federal Acid Rain program also regulates sulfur dioxide emissions from large power plants and other stationary sources, and that federal program allows for emissions trading.

Regarding the revision of RCSA section 22a-174-22c:

- RCSA section 22a-174-22c incorporates federal regulations by reference. The date of reference for the federal regulations incorporated into RCSA section 22a-174-22c is changed to take into account revisions to the referenced federal regulations, which occurred after the adoption of RCSA section 22a-174-22c. Thus, consistency between the state and federal Clean Air Interstate Rule programs is maintained.
- A revision to a formula for the allocation of allowances in RCSA section 22a-174-22c's energy efficiency and renewable energy set aside is also proposed. This set aside is a state program element without a federal counterpart, so there are no analogous federal standards to use as a comparison for the change to the formula.

RCSA section 22a-174-38 was revised in July 2008 in response to revisions to underlying federal emissions guidelines for municipal waste combustors, which were promulgated on May 10, 2006 (71 FR 27324). The July 2008 revision created minor inconsistencies in performance testing requirements that were not recognized until the revisions were effective. Those inconsistencies are addressed, thereby allowing RCSA section 22a-174-38 to be approved as the effective mechanism of a state plan under CAA section 129. Such approval requires that RCSA section 22a-174-38 be at least as stringent as the federal emissions guidelines for municipal waste combustors.

The repeal of RCSA section 22a-174-25 is an administrative change with no impact on requirements applied to sources, and, therefore, there are no analogous federal requirements.

May 26, 2009

Date

Bureau of Air Management

Merrily A. Gere

/s/ Merrily A. Gere

**ATTACHMENT 2**  
**Proposed Text**

**Section 1. Section 22a-174-1 of the Regulations of Connecticut State Agencies is amended as follows:**

Except as may otherwise be provided, as used in Section 22a-174-1 to 22a-174-200, inclusive, of the Regulations of Connecticut State Agencies, the following definitions apply. Unless otherwise indicated, references to the Code of Federal Regulations mean the Code of Federal Regulations in effect as of March 15, 2002:

- (1) “Act” means the Federal Clean Air Act, 42 USC Sections 7401 to 7671q and Public Law 101-549.
- (2) “Actual emissions” has the same meaning as in 40 CFR 51.165(a)(1)(xii)(A) to (E), inclusive.
- (3) “Administrator” means the Administrator of the United States Environmental Protection Agency.
- (4) “Affected state or states” means the Commonwealth of Massachusetts, the States of New York, Rhode Island and any other state located within fifty (50) miles of a Connecticut Title V source.
- (5) “Air pollutant” means dust, fumes, mist, smoke, other particulate matter, vapor, gas, aerosol, odorous substances, or any combination thereof, but does not include carbon dioxide except in accordance with regulations adopted pursuant to sections 22a-174d or 22a-174j of the Connecticut General Statutes, uncombined water vapor or water droplets, or molecular oxygen expressed as O<sub>2</sub> or nitrogen.
- (6) “Air pollution” means the presence in the ambient air of one or more air pollutants or any combination thereof in such quantities and of such characteristics and duration as to be, or likely to be, injurious to public welfare or the environment, to the health of human, plant or animal life, or to property, or as unreasonably to interfere with the enjoyment of life and property.
- (7) “Air pollution control equipment” means any equipment which is designed to reduce emissions of air pollutants from a stationary source.
- (8) “Allowable emissions” means “allowable emissions” as defined in 40 CFR 51.165(a)(1)(xi).
- (9) “Ambient air” means that portion of the atmosphere, external to buildings, to which the general public has access.
- (10) “AAQS” or “Ambient air quality standard” means any standard which establishes the largest allowable concentration of a specific pollutant in the ambient air of a region or subregion as established by the United States Environmental Protection Agency or by the commissioner and which is listed in section 22a-174-24 of the Regulations of Connecticut State Agencies.

(11) “Architectural coating” means a coating used for residential or commercial buildings and their appurtenances, or industrial buildings, or other outdoor structures.

(12) “Attainment” means that the quality of the ambient air, as determined by the Administrator, meets the Ambient Air Quality Standards for a given air pollutant.

(13) “Attainment area” means a geographic area which has been designated by the Administrator as attainment pursuant to 40 CFR 81 in accordance with the provisions of 42 USC 7407.

(14) “Baseline concentration” means “baseline concentration” as defined in 40 CFR 51.166(b)(13)(i) TO (ii)(b), inclusive.

(15) “Best Available Control Technology” or “BACT” means an emission limitation, including a limitation on visible emissions, based upon the maximum degree of reduction for each applicable air pollutant emitted from any proposed stationary source or modification which the commissioner, on a case-by-case basis, determines is achievable in accordance with section 22a-174-3a of the Regulations of Connecticut State Agencies. BACT may include, without limitation, the application of production processes, work practice standards or available methods, systems, and techniques, including fuel cleaning or treatment, the use of clean fuels, or innovative techniques for the control of such air pollutant.

(16) “Begin actual construction” means “begin actual construction” as defined in 40 CFR 51.165(a)(1)(xv).

(17) “Biodiesel fuel” means the liquid fuel composed of mono alkyl esters of long-chain fatty acids derived from vegetable oils or animal fats, which fuel conforms to ASTM D6751-08, Standard Specification for Biodiesel Fuel Blend Stock for Middle Distillate Fuels, or the current active version thereof.

(18) “Brush” means shrubs, vegetation or prunings, the diameter of which is not greater than three inches at the widest point.

[(17)] (19) “BTU” means British thermal unit, which is the amount of heat required to raise the temperature of one pound of water one degree Fahrenheit.

[(18)] (20) “CAS Number” means the number given to a compound by the American Chemical Society's Chemical Abstract Service.

[(19)] (21) “CFR” means the Code of Federal Regulations.

[(20)] (22) “Combustion efficiency” means the percentage calculated in accordance with the following formula:

$$CE = \frac{[CO_2]}{[CO_2]_{max}} \times 100$$



$$[ \text{CO} ] + [ \text{CO}_2 ]$$

where: CE = Combustion efficiency in percent;  
 CO<sub>2</sub> = Amount of carbon dioxide;  
 CO = Amount of carbon monoxide; and  
 CO and CO<sub>2</sub> are both measured in volume units.

[(21)] (23) “Commence operation” means the owner or operator of the stationary source has begun or caused to begin, any activity which has the potential to emit any air pollutant.

[(22)] (24) “Commence construction” means that the owner or operator of the proposed stationary source or proposed modification to a stationary source has all necessary permits or approvals required pursuant to the Act, any regulations adopted thereunder and section 22a-174-1, et seq. of the Regulations of Connecticut State Agencies, and has either:

- (A) Begun, or caused to begin, a continuous program of physical on-site construction of the source, subject to the permit issued by the commissioner, without any breaks in such construction of more than eighteen months; or
- (B) Entered into binding agreements or contractual obligations to undertake actual construction of the source within a reasonable time, which cannot be canceled or modified without substantial economic loss to the owner or operator.

[(23)] (25) “Commissioner” means the Commissioner of Environmental Protection, or any member of the Department or any local air pollution control official or agency authorized by the commissioner, acting singly or jointly, to whom the commissioner assigns any function arising under the provisions of these regulations.

[(24)] (26) “Construction” means “construction” as defined in 40 CFR 51.165 (a)(1)(xviii).

[(25)] (27) “CEM” or “Continuous emission monitoring” means a system for continuously measuring the emissions of any pollutant from a stationary source.

[(26)] (28) “CERC” or “Continuous emissions reduction credit” means a real, quantifiable, surplus, permanent and enforceable reduction of an air pollutant at a source which is:

- (A) Certified by the commissioner through a SIP approved plan; and
- (B) Generated over an uninterrupted period of time in increments of one ton of a specified air pollutant.

[(27)] (29) “Criteria air pollutant” means any air pollutant for which an ambient air quality standard has been established by the Administrator in accordance with Section 107 of the Act.

[(28)] (30) “Department” means the Department of Environmental Protection.

[(29)] (31) “Dioxin emissions” means the total emissions of polychlorodibenzo-p-dioxins (PCDDs) and polychlorodibenzofurans (PCDFs) converted to the toxic equivalence amount of 2,3,7,8-tetrachlorodibenzo-p-dioxin (2,3,7,8-TCDD). For the purposes of this definition, the commissioner shall determine the toxic equivalence amount of 2,3,7,8-TCDD by multiplying the concentration of each isomer in the sample by the appropriate Toxic Equivalency Factor (TEF) set forth in Table 1-1 and then adding the products to obtain the total dioxin emissions in the sample.

<b>Table 1-1</b>	
FORM OF DIOXIN EMISSIONS	TEF
monochlorodibenzo-p-dioxin	0
dichlorodibenzo-p-dioxin	0
trichlorodibenzo-p-dioxin	0
2,3,7,8-tetrachlorodibenzo-p-dioxin	1.0
Other tetrachlorodibenzo-p-dioxins	0.01
1,2,3,7,8-pentachlorodibenzo-p-dioxin	0.5
other pentachlorodibenzo-p-dioxins	0.005
1,2,3,4,7,8-hexachlorodibenzo-p-dioxin	0.04
1,2,3,6,7,8-hexachlorodibenzo-p-dioxin	0.04
1,2,3,7,8,9-hexachlorodibenzo-p-dioxin	0.04
other hexachlorodibenzo-p-dioxins	0.0004
1,2,3,4,6,7,8-heptachlorodibenzo-p-dioxin	0.001
other heptachlorodibenzo-p-dioxins	0.00001
octachlorodibenzo-p-dioxin	0
monochlorodibenzofuran	0

dichlorodibenzofuran	0
trichlorodibenzofuran	0
2,3,7,8-tetrachlorodibenzofuran	0.1
other tetrachlorodibenzofurans	0.001
1,2,3,7,8-pentachlorodibenzofuran	0.1
2,3,4,7,8-pentachlorodibenzofuran	0.1
other pentachlorodibenzofurans	0.001
1,2,3,4,7,8-hexachlorodibenzofuran	0.01
1,2,3,6,7,8-hexachlorodibenzofuran	0.01
2,3,4,6,7,8-hexachlorodibenzofuran	0.01
1,2,3,7,8,9-hexachlorodibenzofuran	0.01
other hexachlorodibenzofurans	0.0001
1,2,3,4,6,7,8-heptachlorodibenzofuran	0.001
1,2,3,4,7,8,9-heptachlorodibenzofuran	0.001
other heptachlorodibenzofurans	0.00001
octachlorodibenzofuran	0

[(30)] (32) “Discharge point” means any stack or area from which a hazardous air pollutant is released into the ambient air.

[(31)] (33) “Dispersion technique” means “dispersion technique” as defined in 40 CFR 51.100(hh).

(34) “Distillate oil” or “distillate fuel oil” means any fuel oil of No. 1 or No. 2 grades, as defined by ASTM D396-09, Standard Specification for Fuel Oils, or the current active version thereof.

[(32)] (35) “DERC” or “Discrete emission reduction credit” means the real, quantifiable, surplus, permanent, and enforceable reduction of an air pollutant at a source, which is:

- (A) Certified by the commissioner through a SIP approved plan; and
- (B) Generated during a specified period of time.

[(33)] (36) “Emission” means the release or discharge of an air pollutant into the ambient air from any source.

[(34)] (37) “Emission limitation” and “Emission standard” means “emissions limitation” and “emission standard” as defined in 40 CFR 51.100(z).

[(35)] (38) “Emission unit” means “emission unit” as defined in 40 CFR 51.165(a)(1)(vii).

[(36)] (39) “ERC” or “Emission reduction credit” means real, quantifiable, surplus, permanent, and enforceable reductions of air pollutant emissions from a source, when such reductions are certified by the commissioner through a SIP approved plan and recorded as CERCs or DERCS.

[(37)] (40) “Excessive concentration” means “excessive concentration” as defined in 40 CFR 51.000(kk).

[(38)] (41) “Federally enforceable” means “federally enforceable” as defined in 40 CFR 51.165(a)(1)(xiv).

[(39)] (42) “Flare” means an apparatus, device, process, or procedure for the burning of flammable gases or vapors at or near the exit of a stack, flue or vent.

[(40)] (43) “Fuel-burning equipment” means any furnace, boiler, apparatus, stack, and all appurtenances thereto, used in the process of burning fuel for the primary purpose of producing heat or power.

[(41)] (44) “Fugitive dust” means solid airborne particulate matter emitted from any source other than through a stack.

[(42)] (45) “Fugitive emissions” means fugitive dust or those emissions that cannot reasonably pass through a stack, chimney, vent, or other functionally equivalent opening.

[(43)] (46) “Good engineering practice (GEP) stack height” means “good engineering practice (GEP) stack height” as defined in 40 CFR 51.100(ii).

[(44)] (47) “Hazardous air pollutant,” except as otherwise provided in section 22a-174-3a of the Regulations of Connecticut State Agencies, means a substance listed in section 22a-174-29 of the Regulations of Connecticut State Agencies.

[(45)] (48) “Hazard limiting value” or “HLV” means the highest acceptable concentration of a hazardous air pollutant in the ambient air, pursuant to section 22a-174-29 of the Regulations of Connecticut State Agencies. The primary use of this term is in the derivation of the maximum allowable stack concentration for a source.

[(46)] (49) “Heat input” means the total gross calorific value of all fuels burned, measured in BTU by ASTM Method D2015-66, D240-64, or D1826-64, using the highest heating value of each fuel.

[(47)] (50) “Incinerator” means any device, apparatus, equipment, slab, or structure used for destroying, reducing, or salvaging, by fire or heat, any material or substance including, but not limited to, refuse, rubbish, garbage, trade waste, debris or scrap; or facilities for cremating human or animal remains provided that, for the purposes of this definition, sources primarily combusting the following used oil types are not incinerators:

- (A) Used oil meeting the specifications of 40 CFR 279.11; or
- (B) Used oil burned in space heaters meeting the requirements of 40 CFR 279.23.

[(48)] (51) “Indian governing body” has the same meaning as in 40 CFR 51.166(b)(28).

[(49)] (52) “Indian reservation” means “Indian reservation” as defined in 40 CFR 51.166(b)(27).

[(50)] (53) “Indirect source” means any building, structure, facility installation, or combination thereof, that has or leads to associated activity as a result of which an air pollutant is or may be emitted. Indirect sources include, but are not limited to: shopping centers, sports complexes, drive-in theaters or restaurants, parking lots or garages, residential, commercial, industrial or institutional buildings or developments, amusement parks and other recreational areas, highways, and airports.

[(51)] (54) “Indirect source construction permit” means a permit issued by the commissioner authorizing the construction of an indirect source.

[(52)] (55) “Innovative control technology” means “innovative control technology” as defined in 40 CFR 51.166 (b)(19).

[(53)] (56) “Internal offset” means any federally enforceable reduction of actual emissions from one or more stationary sources on the same premises which are used to offset potential emissions increases from a proposed stationary source on such premises in accordance with the provisions of section 22a-174-3a(l) of the Regulations of Connecticut State Agencies.

[(54)] (57) “LAER” or “Lowest Achievable Emission Rate” means “lowest achievable emission rate” as defined in 40 CFR 51.165(a)(1)(xiii).

[(55)] (58) “Major modification” means “major modification” as defined in 40 CFR 51.165 (a)(1)(v), provided that, for the purposes of this definition, the term “significant” has the same meaning as in 40 CFR 51.166(b)(23)(i) and:

- (A) The values for nitrogen oxides as an ozone precursor and volatile organic compounds are each twenty-five (25) tons per year, and
- (B) Asbestos, beryllium and vinyl chloride are excluded.

[(56)] (59) “Major source baseline date” means January 6, 1975 for particulate matter and sulfur dioxide and February 8, 1988 for nitrogen dioxide.

[(57)] (60) “Major stationary source” means “major stationary source” as defined 40 CFR 51.165(a)(1)(iv), provided that:

- (A) A stationary source that emits or has the potential to emit twenty-five (25) tons per year of volatile organic compounds or nitrogen oxides as an ozone precursor in any severe ozone nonattainment area is a “major stationary source[.];” and
- (B) A stationary source that emits or has the potential to emit fifty (50) tons per year of volatile organic compounds or nitrogen oxides as an ozone precursor in any serious ozone nonattainment area is a “major stationary source.”

[(58)] (61) “Malfunction” means “malfunction” as defined in 40 CFR 60.2.

[(59)] (62) “MACT” or “Maximum achievable control technology” means a method of achieving an emission limitation or reducing the emission of hazardous air pollutants as determined by the commissioner pursuant to section 22a-174-33(e) of the Regulations of Connecticut State Agencies or by the Administrator pursuant to 40 CFR 63.

[(60)] (63) “Maximum allowable stack concentration” or “MASC” is the maximum allowable concentration of a hazardous air pollutant in the exhaust gas stream at the discharge point of a stationary source under actual operating conditions.

[(61)] (64) “Maximum capacity” means the design maximum hourly capacity of a stationary source or highest demonstrated hourly capacity of a stationary source, whichever is greater, multiplied by 365 days per year and 24 hours per day, or some other time period as may be accepted by the commissioner.

[(62)] (65) “Maximum uncontrolled emissions” means the rate of emissions for a source, determined without the application of air pollution control equipment unless the source is incapable of being operated without the air pollution control equipment, of a particular air pollutant where such rate is calculated using:

- (A) The maximum capacity of the source unless the commissioner determines that the source is physically unable to operate at that capacity or unless the maximum

capacity is limited by restrictions on production rates, hours of operation, or types of materials processed, stored or combusted either through permit conditions or other order of the commissioner; and

- (B) Information from the Compilation of Air Pollutant Emission Factors (AP-42) published by the U. S. Environmental Protection Agency, relevant source test data or other information deemed more representative by the commissioner.

[(63)] (66) “Minor permit modification” means a change to a permit that is required for the permittee to lawfully engage in any of the activities or proposed activities at a stationary source as identified in section 22a-174-2a(e) of the Regulations of Connecticut State Agencies.

[(64)] (67) “Minor source” means any stationary source which emits, and has the potential to emit, pollutants at rates or in amounts lower than those specified in subdivision [(57)] (60) of this [subsection] section.

[(65)] (68) “Minor source baseline date” means June 7, 1988 for particulate matter, December 17, 1984 for sulfur dioxide and June 7, 1988 for nitrogen dioxide.

[(66)] (69) “Mobile source” means a source designed or constructed to move from one location to another during normal operation except portable equipment and includes, but is not limited to, automobiles, buses, trucks, tractors, earth moving equipment, hoists, cranes, aircraft, locomotives operating on rails, vessels for transportation on water, lawnmowers, and other small home appliances.

[(67)] (70) “Modification” or “modified source” means with respect to a stationary source, any physical change or change in the method of operation that would result in an exceedance of the allowable emissions of any individual air pollutant, any increase in the maximum capacity, or any potential emissions of any individual air pollutant not previously emitted, except that:

- (A) Routine maintenance, repair or replacement at a stationary source shall not be considered a physical change; and
- (B) The following shall not be considered a change in the method of operation:
  - (i) any increase in the production rate, if such increase does not exceed the operating design capacity of the affected facility and such increase does not cause or allow an exceedance of the rates or emission limits authorized by a permit, order, or judgement for such a source, or
  - (ii) any increase in hours of operation and such increase does not cause or allow an exceedance of the rates or emissions limits authorized by a permit, order, or judgement for such source.

[(68)] (71) “Monitoring” means any action or procedure that is used to determine actual emissions from a stationary source or compliance with the requirements of any permit, order, statute or regulation.

[(69)] “Multiple-chamber incinerator” means any article, machine, equipment, contrivance, structure or part of a structure used to dispose of combustible refuse by burning and which consists of two or more refractory lined combustion furnaces in a series, physically separated by refractory walls and interconnected by gas passage ports or ducts that employs adequate design parameters necessary for maximum combustion of the material to be burned.

(70)] (72) “Net emissions increase” means “net emissions increase” as defined in 40 CFR 51.165(a)(1)(vi) provided that:

- (A) For the purposes of this definition, the phrase “this section” found in 40 CFR 51.165(a)(1)(vi)(C)(2) refers to sections 22a-174-3a(k) and (l) of the Regulations of Connecticut State Agencies, and
- (B) Any increases or decreases in actual emissions at a stationary source are creditable only if such increases or decreases occurred within the previous five (5) years of the present modification.

[(71)] (73) “Nitrogen oxides” or “NO<sub>x</sub>” means the sum of all oxides of nitrogen, expressed as nitrogen dioxide.

[(72)] (74) “Non-attainment” means that the quality of the ambient air, as measured by the commissioner, fails to meet any Ambient Air Quality Standard for a given pollutant for which such standards have been established by the United States Environmental Protection Agency.

[(73)] (75) “Non-attainment air pollutant” means the particular air pollutant for which an area is designated as a non-attainment area, except that volatile organic compounds and nitrogen oxides are non-attainment air pollutants for ozone non-attainment areas.

[(74)] (76) “Non-attainment area” means a geographic area which has been designated as non-attainment pursuant to 40 CFR 81 in accordance with the provisions of 42 USC 7407 (section 107 of the Act).

[(75)] (77) “Non-minor permit modification” means a change to a permit that is required for the permittee to lawfully engage in any of the activities or proposed activities at a stationary source as identified in section 22a-174-2a(d) of the Regulations of Connecticut State Agencies.

[(76)] (78) “Offset fill pipe” means a fill pipe that has bends or angles such that a straight sleeve cannot be installed.

[(77)] (79) “Opacity” means the degree to which emissions reduce the transmission of light and obscure the view of an object in the background.



[(78)] (80) ["Open-burning"] "Open burning" means the burning of any matter in such a manner that the products of combustion resulting from the burning are emitted directly into the ambient air without passing through a stack or flue.

[(79)] (81) "Operator" means the person or persons who are legally responsible for the operation of a source of air pollution.

[(80)] (82) "Organic compounds" means any chemical compounds of carbon excluding carbon monoxide, carbon dioxide, carbonic acid, metallic carbides, metallic carbonates and ammonium carbonate.

[(81)] (83) "Particulate matter" or "PM" means any material, except water in uncombined form, that is or has been airborne and exists as a liquid or a solid in the ambient air.

[(82)] (84) "PM 2.5" means particulate matter with an aerodynamic diameter less than or equal to a nominal 2.5 micrometers as measured by a reference method set forth in 40 CFR 50, Appendix L, and designated as a reference method in accordance with 40 CFR 53 or by an equivalent method approved by the Administrator in accordance with 40 CFR 53.

[(83)] (85) "PM 10" means particulate matter with an aerodynamic diameter less than or equal to a nominal 10 micrometers as measured by a reference method set forth in 40 CFR 50, Appendix M, and designated as a reference method in accordance with 40 CFR 53 or by an equivalent method approved by the Administrator in accordance with 40 CFR 53.

[(84)] (86) "Permit" means any license issued pursuant to Chapter 446c of the Connecticut General Statutes.

[(85)] (87) "Person" means "person" as defined in section 22a-170 of the Connecticut General Statutes.

[(86)] (88) "Potential emissions" or "potential to emit" means the maximum capacity of a stationary source, including all physical and operational limitations, to emit any air pollutant, including fugitive emissions to the extent quantifiable, provided that:

- (A) Any physical limitation on such capacity, not including air pollution control equipment, shall be treated as part of the stationary source as determined by the commissioner or Administrator; and
- (B) Any operational limitation on such capacity, including air pollution control equipment, or a restriction on the hours of operation or on the type or amount of material processed, stored or combusted, shall be treated as part of the stationary source if the limitation or restriction is practicably enforceable.

[(87)] (89) "Practicably enforceable" means:

- (A) Any federally enforceable emission limitation or restriction on potential emissions; or
- (B) Any emission limitation or restriction on the potential emissions set forth in a permit, order, regulation or statute issued or administered by the commissioner, provided such emission limitation or operational restriction:
  - (i) identifies the subject stationary source or category of stationary source,
  - (ii) specifies an emission limitation using a short term emissions rate for such stationary source expressed in pounds per hour, pounds per unit of production or concentration levels sufficient to calculate the actual emissions from such stationary source or specifies an operational restriction for such stationary source such as hours of operation or fuel use restrictions sufficient to calculate the actual emissions from such source,
  - (iii) specifies appropriate monitoring to determine compliance with such limitation or restriction specified in accordance with subparagraph (ii) of this subdivision provided that if a twelve month rolling average is selected, the monitoring shall be CEM or equivalent, and
  - (iv) if an emission limitation or operational restriction is required to demonstrate that a state or federal standard does not apply, such emission limitation or restriction shall be calculated in accordance with subparagraph (ii) of this subdivision and expressed using the shortest technically and economically feasible averaging period, in no case longer than a twelve month rolling average. If a twelve month rolling average is selected, the monitoring shall be CEM or equivalent.

[(88)] (90) “Premises” means the grouping of all stationary sources at any one location and owned or under the control of the same person or persons.

[(89)] (91) “Process changes to control air pollution” means any modification that alters or implements production processes or available methods, including fuel switching, systems, techniques, work practice standards, operational standards or a combination thereof which is designed and implemented for the primary purpose of reducing emissions of air pollutants from a stationary source.

[(90)] (92) “Process source” means any operation, process, or activity except:

- (A) The burning of fuel for indirect heating in which the products of combustion do not come in contact with process material;
- (B) The burning of refuse; and
- (C) The processing of salvageable material by burning.

[(91)] (93) “Reasonably Available Control Technology” or “RACT” means the lowest emission limitation that a particular stationary source is capable of meeting by the application of control technology that is reasonably available considering technological and economic feasibility.

[(92)] (94) “Reconstruct” or “reconstruction” means the renovation or re-building of a stationary source in accordance with the provisions 40 CFR 60.15. A reconstructed stationary source shall be considered a new stationary source. The use of an alternative fuel or raw material by reason of an order in effect pursuant to sections 2(a) and (b) of the Federal Energy Supply and Environmental Coordination Act of 1974, or superseding legislation, or by reason of a Natural Gas Curtailment Plan pursuant to the Federal Power Act, or by reason of an order or rule pursuant to section 125 of the Clean Air Act, shall not be considered reconstruction.

[(93)] (95) “Region” means a Connecticut intrastate Air Quality Control Region or the Connecticut portion of an interstate Air Quality Control Region as defined by the EPA in 40 CFR 81.

[(94)] (96) “Residual oil” means any fuel oil of No. 4, No. 5, or No. 6 grades, as defined by [American Society for Testing and Materials D396] ASTM D396-09, Standard Specification for Fuel Oils, or the current active version thereof.

[(95)] (97) “Resources recovery facility” means “resources recovery facility” as defined in section 22a-207(9) of the Connecticut General Statutes.

[(96)] (98) “Ringelmann chart” means the chart published and described in the U.S. Bureau of Mines Information Circular 8333.

[(97)] (99) “Secondary emissions” mean “secondary emissions” as defined in 40 CFR 51.165(a)(1)(viii).

[(98)] (100) “Serious non-attainment area for ozone” means all towns within the State of Connecticut, except those towns located in the severe non-attainment area for ozone.

[(99)] (101) “Severe non-attainment area for ozone” means the towns of Bethel, Bridgeport, Bridgewater, Brookfield, Danbury, Darien, Easton, Fairfield, Greenwich, Monroe, New Canaan, New Fairfield, New Milford, Newtown, Norwalk, Redding, Ridgefield, Sherman, Stamford, Stratford, Trumbull, Weston, Westport and Wilton.

[(100)] (102) “Solid waste” means unwanted or discarded materials, including solid, liquid, semisolid, or contained gaseous material.

[(101)] (103) “Source” means any property, real or personal, which emits or may emit any air pollutant.

[(102)] (104) “Stack” means “stack” as defined in 40 CFR 51.100 (ff), provided that stack shall also include a flare.

[(103)] (105) “Standard conditions” means a dry gas temperature of 68 degrees Fahrenheit and a gas pressure of 14.7 pounds per square inch absolute (20 degrees C, 760 mmHg).

[(104)] (106) “State” as used in the phrase "any other state" means state, region, territory, commonwealth, military reservation, or Indian reservation.

[(105)] (107) “State implementation plan” or “SIP” means a plan required by section 110 of Act which has been approved by the Administrator.

[(106)] (108) “Stationary source” means “stationary source” as defined in 40 CFR 51.165(a)(1)(i) and (ii), provided that any portable emissions unit which is moved from site to site but remains stationary during operation is a stationary source.

[(107)] (109) “Stripping facility” means any stationary source, except air pollution control equipment, the primary purpose of which is to remove organic compounds from water, soil or any other material.

[(108)] (110) “Submerged fill pipe” means any fill pipe the discharge opening of which remains entirely submerged when the pipe normally used to withdraw liquid from the tank can no longer withdraw any liquid.

[(109)] (111) “Subregion” means a subdivision of a Region, as determined by the commissioner.

[(110)] (112) “Tank” means any vessel for containing liquids or gases.

[(111)] (113) “Title V source” means “Title V source” as defined in 22a-174-33 of the Regulations of Connecticut State Agencies.

[(112)] (114) “Throughput” means the rate, by volume or mass, of production in a manufacturing process, where the combined quantities of all materials introduced into the process, excluding air and water, are used to determine such rate.

[(113)] (115) “Total suspended particulate” means particulate matter as measured by the method described in 40 CFR 50, Appendix B.

[(114)] (116) “Unclassifiable area” means a geographic area which has not been designated either as an attainment area or a non-attainment area pursuant to 40 CFR 81 in accordance with the provisions of section 107 of the Clean Air Act.

[(115)] (117) “Volatile organic compound” or “VOC” means “volatile organic compound” as defined in 40 CFR 51.100(s), as amended from time to time.

[(116)] (118) “Waste water separator” means any tank, box, sump, or other container in which any volatile organic compound floating on or entrained or contained in water entering such tank, box, sump, or another container is physically separated and removed from such water prior to outfall, drainage, or recovery of such water.

[(117)] (119) “Watercourse” means “watercourses” as defined in 22a-38(16) of the Connecticut General Statutes.

**Sec. 2. Section 22a-174-3b(c)(1) of the Regulations of Connecticut State Agencies is amended to read as follows:**

(1) The owner or operator of an external combustion unit shall properly maintain equipment and operate such unit in accordance with the following requirements:

- (A) Maximum rated heat input shall not exceed the following limitations:
  - (i) 50 MMBtu/hr for sources burning gaseous fuels,
  - (ii) 25 MMBtu/hr for sources burning distillate [fuel] oil or a blend of distillate oil and biodiesel fuel, and
  - (iii) 15 MMBtu/hr for sources burning residual [fuel] oil or a blend of residual oil and biodiesel fuel;
- (B) Fuel use shall not exceed the following limitations:
  - (i) natural gas usage shall not exceed 214 million cubic feet in any twelve (12) month rolling aggregate,
  - (ii) propane usage shall not exceed 1.57 million gallons in any twelve (12) month rolling aggregate,
  - (iii) distillate [fuel] oil usage, inclusive of blends of distillate oil and biodiesel fuel, shall not exceed 704,000 gallons in any twelve (12) month rolling aggregate,
  - (iv) residual [fuel] oil usage, inclusive of blends of residual oil and biodiesel fuel, shall not exceed 191,000 gallons in any twelve (12) month rolling aggregate, and
  - (v) use of any combination of the fuels listed in subparagraphs (B)(i) to (B)(iv) of this subdivision shall not result in emissions of any individual air pollutant greater than [fifteen (15)] 15 tons per year in any twelve (12) month rolling aggregate;
- (C) Fuel content shall be as follows:

- (i) any residual [fuel] oil, inclusive of blends of residual oil and biodiesel fuel, used shall contain 0.5%, or less, sulfur by weight, dry basis, and
  - (ii) no fuel oil used shall be blended with waste oil or solvent;
- (D) The height of any stack associated with the unit shall be the greater of:
- (i) [ten (10)] 10 meters, or
  - (ii) the lesser of 1.3 times the building height or maximum building width; and
- (E) A tune-up of the external combustion unit shall be performed on an annual basis.

**Sec. 3. Section 22a-174-3b(c)(3) of the Regulations of Connecticut State Agencies is amended to read as follows:**

- (3) The owner or operator of an external combustion unit may make and maintain records of the following information, as applicable:
- (A) Records of the fuel type and quantity used, in gallons or million cubic feet, for each month and each twelve (12) month rolling aggregate;
  - (B) If the fuel used is residual oil or a blend of residual oil and biodiesel fuel, records of the sulfur content for each nongaseous fuel shipment received;
  - (C) If multiple fuels are used, records of the quantity in tons of each criteria pollutant emitted for each month and each twelve (12) month rolling aggregate; and
  - (D) The date each annual tune-up is performed.

**Sec. 4. Section 22a-174-3c(b)(2) and (3) of the Regulations of Connecticut State Agencies is amended to read as follows:**

- (2) The owner or operator of an external combustion unit or units using distillate [fuel] oil or a blend of distillate oil and biodiesel fuel and operating to limit potential emissions in accordance with this section shall:
- (A) Limit distillate [fuel] oil purchased, inclusive of blends of distillate oil and biodiesel fuel, for the premises to equal to or less than 328,000 gallons in any calendar year; and
  - (B) Not exceed a heat input for each external combustion unit of 25 [mmBTU/hr] MMBtu/hr.

(3) The owner or operator of an external combustion unit or units using residual [fuel] oil, or a blend of residual oil and biodiesel fuel, and operating to limit potential emissions in accordance with this section shall:

- (A) Limit residual [fuel] oil purchased, inclusive of blends of residual oil and biodiesel fuel, for the premises to equal to or less than 89,000 gallons in any calendar year; and
- (B) Not exceed a heat input for each external combustion unit of 15 [mmBTU/hr] MMBtu/hr.

**Sec. 5. Section 22a-174-3c(b)(6) of the Regulations of Connecticut State Agencies is amended to read as follows:**

(6) The owner or operator of an emergency engine or engines using distillate [fuel] oil, or a blend of distillate oil and biodiesel fuel, and operating to limit potential emissions in accordance with this section shall limit distillate [fuel] oil purchase for the premises, inclusive of blends of distillate oil and biodiesel fuel, to equal to or less than 21,000 gallons in any calendar year.

**Sec. 6. Section 22a-174-19a(a) of the Regulations of Connecticut State Agencies is amended as follows:**

(a) **Definitions.** For purposes of this section:

(1) “Affected state” means “affected states” as defined in section 22a-174-1 of the Regulations of Connecticut State Agencies.

(2) “Affected unit” means [any emissions unit subject to the provisions of section 22a-174-22b of the Regulations of Connecticut State Agencies, the Post-2002 Nitrogen Oxides Budget Program.] a fossil-fuel fired:

- (A) Stationary source that serves a generator with a nameplate capacity of 15 MW or more; or
- (B) Boiler or indirect heat exchanger with a maximum heat input capacity of 250 MMBtu/hr or more.

(3) “Average emissions rate” means a determination of the rate of SO<sub>2</sub> emissions, measured in pounds of SO<sub>2</sub> per MMBtu, in any calendar quarter from either a single affected unit or from two or more affected units. Average emissions rate for a single unit is calculated by dividing the total quarterly SO<sub>2</sub> emissions, in pounds, from such unit by the total quarterly heat input, in MMBtu, for such unit. Average emissions rate for two or more units is calculated by dividing the total quarterly SO<sub>2</sub> emissions, in pounds, from all such units by the total quarterly heat input, in MMBtu, for all such units.

(4) “Calendar quarter” means the period of January 1 to March 31, inclusive, April 1 to June 30, inclusive, July 1 to September 30, inclusive or October 1 to December 31, inclusive.

(5) “Connecticut State SO<sub>2</sub> Retirement Account” means a general allowance tracking system account established by the commissioner under 40 CFR 73.31 for the purpose of permanently holding SO<sub>2</sub> allowances retired by the owners or operators of affected units in accordance with the provisions of subsection (d) of this section.

(6) “Continuous emissions monitoring system” or “CEMS” means any equipment used to sample, analyze and measure SO<sub>2</sub> emissions to provide a permanent record of such emissions expressed in pounds per MMBtu.

(7) “Emissions unit” means “emission unit” as defined in section 22a-174-1 of the Regulations of Connecticut State Agencies.

[(8) “Early reduction credit” means a reduction of SO<sub>2</sub> during calendar years 1999, 2000, 2001 or 2002 below the most stringent SO<sub>2</sub> emission rate applicable to an affected unit pursuant to subsection (h)(5)(B) of this section.

(9) “Generation period” means the period of time during which reductions in emissions of an air pollutant are implemented.]

[(10)](8) “MMBtu” means million BTU of heat input.

[(11)](9) “Retire” or “retirement” when referring to SO<sub>2</sub> allowances, means the permanent withdrawal of SO<sub>2</sub> allowances by the Administrator from any allowance tracking system account to the Connecticut SO<sub>2</sub> Allowance Retirement Account in an amount equal to the number of tons of SO<sub>2</sub> emitted by each affected unit.

[(12)](10) “Sulfur dioxide” or “SO<sub>2</sub>” means a gas that at standard conditions has the molecular form SO<sub>2</sub>.

[(13) “Sulfur dioxide Discrete Emission Reduction Credit” or “SO<sub>2</sub> DERC” means the reduction of one ton of sulfur dioxide at a stationary source during the generation period, which the commissioner has certified in writing as real, quantifiable, surplus, permanent, and enforceable. Early reduction credits shall qualify as SO<sub>2</sub> DERCs.]

[(14)](11) “Title IV SO<sub>2</sub> allowance” or “SO<sub>2</sub> allowance” means an authorization allocated to a Title IV source by the Administrator, pursuant to Title IV of the federal Clean Air Act (42 USC 7651d, et seq.) and 40 CFR Parts 72 and 73, to emit up to one ton of SO<sub>2</sub> during or after a specified calendar year.

[(15)](12) “Title IV source” means an affected unit that is also subject to Phase II of the acid rain control requirements set forth in Title IV of the federal Clean Air Act (42 USC 7651d, et seq.).



**Sec. 7. Subsections (e) and (f) of section 22a-174-19a of the Regulations of Connecticut State Agencies are amended to read as follows:**

**(e) Sulfur dioxide emissions standards and fuel sulfur limits effective on and after January 1, 2003.** Notwithstanding the provisions of subsection (b) of this section [and except as provided in subsection (f) of this section], this subsection shall apply, on and after January 1, 2003, to the owner or operator of a Title IV source that is also an affected unit or units. On and after January 1, 2003, such owner or operator shall:

(1) Combust liquid fuel, gaseous fuel or a combination of each provided that each fuel possess a fuel sulfur limit of equal to or less than 0.3 % sulfur, by weight (dry basis);

(2) Meet an average emission rate of equal to or less than 0.33 pounds SO<sub>2</sub> per MMBtu for each calendar quarter for an affected unit at a premises; or

(3) Meet an average emission rate of equal to or less than 0.3 pounds SO<sub>2</sub> per MMBtu calculated for each calendar quarter, if such owner or operator averages the emissions from two or more affected units at a premises[; or].

[(4) Meet an average emission rate equal to or less than 0.3 pounds SO<sub>2</sub> per MMBtu calculated for each calendar quarter in accordance with the provisions of subsection (h) of this section, provided that each affected unit or units:

(A) Combusts liquid fuel, gaseous fuel or a combination of each, provided that each fuel possess a fuel sulfur limit of equal to or less than 0.5 % sulfur, by weight (dry basis), or

(B) Meets an actual quarterly average emission rate that does not exceed 0.55 pounds SO<sub>2</sub> per MMBtu.]

**(f) [Compliance extension for sulfur dioxide emission standards and fuel sulfur limits.] Reserved.**

(1) The commissioner may authorize an extension, to expire no later than June 1, 2003, to comply with the requirements of subsection (c) or (e) of this section upon the request of an owner or operator of an affected unit provided such request is filed with the commissioner no later than 120 days before the applicable compliance date of subsection (c) or (e) of this section.

(2) Before granting or denying a request for an extension pursuant to subdivision (1) of this subsection, the commissioner shall make a finding, after consultation with the Department of Public Utility Control, to determine whether the provisions of this section will substantially impact the reliable generation or delivery of electricity to residential, commercial and industrial users in the state. The commissioner may hold a public hearing prior to granting or denying such request for an extension.

(3) The commissioner may impose conditions and limitations by permit or order when granting a request for an extension under subdivision (1) of this subsection.

(4) Any extension authorized under subdivision (1) of this subsection shall require that the owner or operator of an affected unit, through a permit or order, comply with the requirements of subsection (c) or (e) of this subsection by reconstructing the existing affected unit, replacing the existing affected unit with a new source, or submitting to an emissions cap. The commissioner may require such emissions cap be equivalent to, or less than, the quantity of emissions that would have been emitted had the source complied with the requirements of subsection (c) or (e). Any emissions cap shall expire no later than June 1, 2003 and any reconstruction or replacement shall be completed no later than June 1, 2003.

(5) The extension provided by this subsection shall not relieve the owner or operator of an affected source of the requirements to comply with any applicable provision of this section, including subsection (d) of this section.]

**Sec. 8. Section 22a-174-19a(g)(3) of the Regulations of Connecticut State Agencies is amended to read as follows:**

(3) No later than thirty days after the termination of any suspension of fuel sulfur limits made pursuant to this subsection, the owner or operator of an affected unit or units shall report to the commissioner in writing the amount of SO<sub>2</sub> emissions in excess of those that would have occurred had the use of compliant fuel at the affected source not been interrupted. If such excess SO<sub>2</sub> emissions from any premises exceed fifty tons, the commissioner may require that the owner or operator of such affected unit or units offset such SO<sub>2</sub> emissions [through the use of emission reduction trading in accordance with the provisions of subsection (h) of this section].

**Sec. 9. Section 22a-174-19a(h) of the Regulations of Connecticut State Agencies is amended to read as follows:**

**(h) [Emissions reduction trading.] Reserved.**

[(1) The owner or operator of an affected unit may use SO<sub>2</sub> DERCs or SO<sub>2</sub> allowances to comply with the applicable emission limitations set forth in subsection (e)(4) of this section pursuant to a permit or order issued by the commissioner.

(2) Such owner or operator shall retire one (1) SO<sub>2</sub> DERC for each ton or part thereof of SO<sub>2</sub> emitted in excess of the applicable emission limitation in subsection (e)(4) of this section. In the alternative, an owner or operator may retire four (4) SO<sub>2</sub> allowances for each ton or part thereof of SO<sub>2</sub> emitted in excess of the applicable emission limitation in subsection (e)(4) of this section.

(3) Any creation or use of SO<sub>2</sub> DERCs for the purpose of this subsection shall be consistent with the provisions of 40 CFR 51, Subpart U and the U.S. Environmental Protection Agency's "Emission Trading Policy Statement," published December 4, 1986 (Federal Register, Volume 51, page 43814).

(4) The owner or operator of any affected facility using SO<sub>2</sub> allowances as a means of compliance with the provisions of this subsection and subsection (e)(4) of this section shall ensure that such allowances were originally issued by the Administrator to a Title IV source located in the state of Connecticut or in any affected state.

(5) The owner or operator of any affected unit that reduces SO<sub>2</sub> emissions for the purpose of generating early reduction credits or SO<sub>2</sub> DERCS may request that the commissioner approve such early reduction credits or SO<sub>2</sub> DERCS in writing by permit or order provided that such reductions are:

- (A) Real, quantifiable, surplus, permanent and enforceable; and
- (B) Based on an emissions rate that is the most stringent of:
  - (i) 0.3 pounds SO<sub>2</sub> per MMBtu,
  - (ii) Permitted allowable emissions of the affected unit, or
  - (iii) The actual emissions of the affected unit.]

**Sec. 10. Section 22a-174-19a(i)(2) of the Regulations of Connecticut State Agencies is amended to read as follows:**

(2) The owner or operator of an affected unit who demonstrates compliance with this section by meeting the average SO<sub>2</sub> emission rate limits of subsections (c)(2), (c)(3), (e)(2)[,] or (e)(3) [or (e)(4)] of this section shall make and keep records in accordance with the following:

- (A) For affected units that are also Title IV sources, hourly SO<sub>2</sub> emission rate values determined from data measured by a CEMS in accordance with the applicable provisions of 40 CFR 75;
- (B) For affected units that are not Title IV sources:
  - (i) hourly SO<sub>2</sub> emission rate values determined from data measured by a CEMS in accordance with the applicable provisions of either 40 CFR [Parts] 60 or 75, or
  - (ii) if any affected unit does not have a CEMS in accordance with either 40 CFR [Parts] 60 or 75, then hourly SO<sub>2</sub> emission rate values determined from data measured by a CEMS or other monitoring system; and
- (C) For all affected units, quarterly facility SO<sub>2</sub> emission rate averages, determined by dividing total quarterly SO<sub>2</sub> emissions by total quarterly heat input values for all affected units at the facility.

**Sec. 11. Subsection (f)(1)(E) of the section 22a-174-22c of the Regulations of Connecticut State Agencies is amended to read as follows:**

- (E) Allocate to the compliance account of each Proponent of an EEP saving thermal or mechanical energy in a manufacturing process where energy consumption is measured on a unit of production basis, the number of CAIR NO<sub>x</sub> Ozone Season allowances equal to the amount determined by the following equation, subject to the limitation in subparagraph (H) of this subdivision:

$$\left[ \frac{\left( \frac{EC_1}{PP_1} - \frac{EC_2}{PP_2} \right) \times PP_2 \times NE_2 \times \left( \frac{NE_1}{NE_2} \right)}{2000 \frac{lb}{ton}} \right]$$

$$\frac{\left( \frac{EC_1}{PP_1} - \frac{EC_2}{PP_2} \right) \times PP_2 \times NE_2 \times \left[ 1 + \left( \frac{NE_1 - NE_2}{NE_1} \right) \right]}{2000 \frac{lb}{ton}}$$

**Sec. 12. Table 22c-1 of section 22a-174-22c of the Regulations of Connecticut State Agencies is amended to read as follows:**

<b>Table 22c-1</b> <b>40 Code of Federal Regulations Part 96</b> <b>Provisions Incorporated by Reference as of [December 13, 2006] <u>October 19, 2007</u></b>	
<b>Subpart AAAA-CAIR NO<sub>x</sub> Ozone Season Trading Program General Provisions</b>	
Section 96.302	Definitions.
Section 96.303	Measurements, abbreviations, and acronyms.
Section 96.305	Retired unit exemption.
Section 96.306	Standard requirements.
Section 96.307	Computation of time.
Section 96.308	Appeal procedures.
<b>Subpart BBBB-CAIR Designated Representative for CAIR NO<sub>x</sub> Ozone Season Sources</b>	
Section 96.310	Authorization and responsibilities of CAIR designated representative.
Section 96.311	Alternate CAIR designated representative.

Section 96.312	Changing CAIR designated representative and alternate CAIR designated representative; changes in owners and operators.
Section 96.313	Certificate of representation.
Section 96.314	Objections concerning CAIR designated representative.
Section 96.315	Delegation by CAIR designated representative and alternate CAIR designated representative.
<b>Subpart CCCC-Permits</b>	
Section 96.320	General CAIR NO <sub>x</sub> Ozone Season Trading Program permit requirements.
Section 96.321	Submission of CAIR permit applications.
Section 96.322	Information requirements for CAIR permit applications.
Section 96.323	CAIR permit contents and term.
Section 96.324	CAIR permit revisions.
<b>Subpart FFFF-CAIR NO<sub>x</sub> Ozone Season Allowance Tracking System</b>	
Section 96.351	Establishment of accounts.
Section 96.352	Responsibilities of CAIR authorized account representative.
Section 96.353	Recordation of CAIR NO <sub>x</sub> Ozone Season allowance allocations.
Section 96.354	Compliance with CAIR NO <sub>x</sub> emissions limitation.
Section 96.355	Banking.
Section 96.356	Account error.
Section 96.357	Closing of general accounts.
<b>Subpart GGGG-CAIR NO<sub>x</sub> Ozone Season Allowance Transfers</b>	
Section 96.360	Submission of CAIR NO <sub>x</sub> Ozone Season allowance transfers.
Section 96.361	EPA recordation.
Section 96.362	Notification.
<b>Subpart HHHH-Monitoring and Reporting</b>	
Section 96.370	General requirements.
Section 96.371	Initial certification and recertification procedures.
Section 96.372	Out of control periods.
Section 96.373	Notifications.
Section 96.374 (Except as provided in subsection (i)(3) of this section)	Recordkeeping and reporting.
Section 96.375	Petitions.

**Sec. 13. Section 22a-174-25 of the Regulations of Connecticut State Agencies is repealed.**

**Sec. 14. Section 22a-174-38(g)(4) of the Regulations of Connecticut State Agencies is amended as follows:**

(4) The particulate matter control device temperature limits [and] , municipal waste combustor unit load limit and the average carbon mass feed rate may be waived temporarily by the commissioner to allow evaluation of system performance, testing of new technology or control technologies or diagnostic testing, provided that any such temporary waiver is authorized through a permit or order issued prior to an evaluation of system performance, testing of new technology or control technologies or diagnostic testing.

**Sec. 15. Section 22a-174-38(g) of the Regulations of Connecticut State Agencies is amended by the addition of subdivision (6), as follows:**

(NEW)

(6) Notwithstanding subdivision (5) of this subsection, during the annual dioxin/furan or mercury performance test and the two weeks preceding the annual dioxin/furan or mercury performance test, no limit is applicable for the average mass carbon feed rate if the provisions of subdivision (4) of this subsection are met.

**Sec. 16. Section 22a-174-38(i)(3) of the Regulations of Connecticut State Agencies is amended to read as follows:**

(3) Notwithstanding subdivision (2) of this subsection, upon demonstration for two (2) consecutive years that the dioxin/furan emission levels from all units at a MWC plant for which construction commenced prior to September 20, 1994 are less than fifteen (15) ng/dscm total mass or, for all units for which construction, modification or reconstruction commenced on or after September 20, 1994, and are less than seven (7) ng/dscm total mass, the MWC owner or operator shall only be required to conduct performance testing for dioxin/furan on one unit at that MWC plant. The owner or operator shall rotate performance testing among units [no more than twelve (12) months following the previous performance test] in a fixed sequence so that each unit is tested at the same frequency. One unit at the plant shall be tested at least once per calendar year, and such test shall be conducted no less than nine calendar months and no more than 15 calendar months following the previous performance test. If in any year following the year of election of such reduced testing, the dioxin/furan emission test results indicate a level equal to or greater than fifteen (15) ng/dscm total mass for any unit for which construction commenced prior to September 20, 1994, or greater than seven (7) ng/dscm total mass for any unit for which construction, modification or reconstruction commenced on or after September 20, 1994, then the MWC owner or operator shall resume testing of all units at the MWC plant during the next annual performance test. The owner or operator shall continue to test all units on an annual basis until the performance tests for all units indicate dioxin/furan emission levels that meet the requirements of this subdivision, at which time the owner/operator may resume testing in accordance with this subdivision.

**Statement of purpose:** This proposal comprises a series of minor but necessary revisions to the air quality regulations. Each section of the proposal is described below.

**Section 1:** A definition of “brush” is added to section 22a-174-1 of the Regulations of Connecticut State Agencies (RCSA) to facilitate the Commissioner’s ability to authorize or prohibit open burning, as provided in section 22a-174(f) of the Connecticut General Statutes (CGS).

Definitions of “distillate oil” and “biodiesel fuel” referencing ASTM International standards are included to identify these fuels when combusted in equipment operated pursuant to the air quality regulations. The definition of “residual oil” is revised to specify the current ASTM International standard.

In the definition of “incinerator,” the exclusion for certain sources burning waste oil is qualified as those sources primarily burning waste oil. The definition of “multiple-chamber incinerator” is deleted as it is no longer in use in the air quality regulations.

**Sections 2 through 5:** RCSA sections 22a-174-3b and 22a-174-3c are revised to specify that small boilers, heaters, drying ovens and furnaces may combust biodiesel fuel blends when operating under RCSA sections 22a-174-3b and 22a-174-3c. Absent revision, RCSA sections 22a-174-3b and 22a-174-3c appear to prohibit the use of biodiesel fuel blends.

**Section 6:** The definition of “affected unit” in RCSA section 22a-174-19a(a) relies on a reference to RCSA section 22a-174-22b, which will be repealed in 2010. The definition of affected unit is replaced with a definition that is independent of a reference to another regulation but that designates the same group of emissions units. Other definitions in RCSA section 22a-174-19a(a) are eliminated consistent with proposed deletions.

**Sections 7 through 10:** Obsolete portions of RCSA section 22a-174-19a are deleted. The obsolescence results from prohibitions on emissions trading established in CGS section 22a-198 or, for subsection (f), the passage of time.

**Section 11:** In RCSA section 22a-174-22c, a formula for allocating allowances from the energy efficiency and renewable energy set-aside is corrected.

**Section 12:** RCSA section 22a-174-22c incorporates federal regulations by reference. The date for the referenced federal regulations is changed to take into account revisions to the federal regulations, which occurred after the adoption of RCSA section 22a-174-22c.

**Section 13:** RCSA section 22a-174-25, which serves only to designate an effective date of June 1, 1972 for now defunct regulations, is repealed.

**Sections 14 through 16:** RCSA section 22a-174-38 was revised in July 2008 in response to revisions to underlying federal emissions guidelines for municipal waste combustors. The July 2008 revision created minor inconsistencies in performance testing requirements that were not recognized until the revisions became effective. Those inconsistencies are addressed.

## **ATTACHMENT 3**

**Final Text (including Recommendation of Hearing Officer)**