

DISTRICT DEPARTMENT OF THE ENVIRONMENT

NOTICE OF PUBLIC HEARING AND COMMENT PERIOD

**Title V Air Quality Operating Permit Renewal and General Permit Modification
Application for Potomac Power Resources LLC and Proposed Revision to the State
Implementation Plan Under the Clean Air Act for Regional Haze**

Notice is hereby given that a public hearing will be held on Tuesday, October 11, 2011, at 5:30 PM in Room 512 at 1200 First Street NE, 5th Floor, in Washington, DC 20002.

This hearing provides interested parties an opportunity to comment on the application of Potomac Power Resources LLC for a Title V air quality permit and General Permit amendment for the Pepco Benning Road Generating Station pursuant to the requirements of Title 20 of the District of Columbia Municipal Regulations, Chapters 2 and 3 (20 DCMR Chapters 2 and 3).

The proposed Title V and General permit is to operate one 3,110 million BTU per hour oil-fired steam electric generating unit, one 3,173 million BTU per hour oil-fired steam electric generating unit, two 202 million BTU per hour oil-fired packaged boilers, eight diesel emergency generators, two propane emergency generators, a diesel fire pump, a paint spray booth, cooling towers, and underground storage tanks at 3400 Benning Road NE, Washington, DC 20019.

With the potential to emit (at maximum possible operations) approximately 4,912 tons per year of nitrogen oxides, 12,782 tons per year of sulfur dioxide, 1,726 tons per year of particulate matter, 154 tons per year of volatile organic compounds, 1,015 tons per year of carbon monoxide, 17.21 tons per year of nickel compounds, as well as various other hazardous air pollutants (HAPs) exceeding a total of 25 tons per year, the source has the potential to emit greater than the District's major source thresholds of 25 tons per year of nitrogen oxides and volatile organic compounds, 10 tons per year of a single HAP, 25 tons per year of total aggregate HAPs, and 100 tons per year of other regulated pollutants, and is therefore classified as a major source of air pollution and is subject to 20 DCMR Chapter 3.

The draft permit establishes enforceable conditions requiring that the facility permanently shut down the 3,110 million BTU per hour oil-fired steam electric generating unit and the 3,173 million BTU per hour oil-fired steam electric generating unit by December 17, 2012. At the time of the shut-down of these two units, there will no longer be a need to operate the two 202 million BTU per hour package boilers. Therefore, the draft permit also establishes enforceable conditions requiring that these boilers also be shut down by December 17, 2012, pursuant to the District's authority under 20 DCMR Chapter 2. Thus, this proposed permitting action will result in a combined Chapter 2 and Chapter 3 operating permit.

Additionally, this hearing provides interested parties an opportunity to comment on the District's proposed revision to its State Implementation Plan (SIP) under the Clean Air Act. The proposed revision to the SIP is being made to satisfy the requirements of the Clean Air Act for Regional Haze. Once the District has completed its procedures, the proposed revision to the SIP will be

submitted to the United States Environmental Protection Agency (EPA) for approval as revision to the District's SIP found at 40 CFR Part 52, subpart J.

The EPA's 1999 Regional Haze Rule (as revised) requires states and the District to address regional haze in Federally-designated Class I areas, which include national parks and wilderness areas. The two largest Pepco Benning Road Generating Station units are subject to requirements of the Regional Haze Rule. Therefore, approval of the District's Regional Haze SIP revision submission to EPA is contingent upon its inclusion of the final operating permit issued for the Benning Road Generating Station facility requiring the shut-down of the boilers, as described above, by December 17, 2012.

The District initially submitted a Regional Haze SIP revision to EPA pursuant to the requirements of EPA's 1999 Regional Haze Rule (as revised). That initial Regional Haze SIP was dependent upon the Federal Clean Air Interstate Rule (CAIR). The CAIR was remanded until a replacement rule, the Federal Cross-State Air Pollution Rule (CSAPR), was finalized in July 2011. Unlike CAIR, CSAPR does not include emissions controls for facilities in the District. Therefore, the District is revising its initial Regional Haze SIP revision to address the subject emission units at the Benning Road Generating Station.

The District Department of the Environment (DDOE) has reviewed the permit application and related documents and has made a preliminary determination that the applicant meets all applicable air quality requirements promulgated by EPA and the District. Therefore, draft permit #026-R1 has been prepared.

The application, the draft permit, and all other materials submitted by the applicant [except those entitled to confidential treatment under 20 DCMR 301.1(c)] considered in making this preliminary determination, plus the proposed Regional Haze SIP and Appendices, are available for public review during normal business hours at the offices of the District Department of the Environment, 1200 First Street NE, 5th Floor, Washington, DC 20002. Copies of the draft permit, related fact sheet, and Regional Haze SIP are available at <http://ddoe.dc.gov>. (Due to the size and extent of the SIP Appendices, only the main SIP document is available on-line.)

Interested parties wishing to testify at this hearing must submit in writing their names, addresses, telephone numbers, and affiliation, if any, to Mr. William Bolden at DDOE by 4:00 pm on October 11, 2011. Interested parties may also submit written comments to Stephen S. Ours, DDOE Air Quality Division, 1200 First Street NE, 5th Floor, Washington, DC 20002. Questions about this permitting action should be directed to John C. Nwoke at (202) 724-7778 or john.nwoke@dc.gov. Questions about this Regional Haze SIP should be directed to Jessica Daniels at (202) 741-0862 or jessica.daniels@dc.gov. No comments will be accepted after October 11, 2011.