



State of New Jersey

Department of Environmental Protection

Air Quality, Energy and Sustainability

Division of Air Quality

Bureau of Stationary Sources

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September 29, 2020

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. Andrew Urquhart

Manager

Competitive Power Ventures

50 Braintree Hill Office Park, #300

Braintree, MA 02184

Re: THIRD NOTICE OF TECHNICAL DEFICIENCIES: TITLE V SIGNIFICANT MODIFICATION

Woodbridge Energy Center (Keasbey Energy Center Project)

Permit Activity Number: BOP160004

Program Interest Number: 18940

Application Submitted August 21, 2016

Dear Mr. Urquhart:

The Department received your March 20, 2020 letter in response to the Department's Second Notice of Technical Deficiencies ("Second Notice") for the above referenced Title V Significant Modification application. The Department's Second Notice informed Woodbridge Energy Center ("WEC") that its application was deficient because WEC failed to specify the sources of emission offsets to be applied to the project, as required by N.J.A.C. 7:27-18. The Department's Second Notice, like the First Notice of Technical Deficiencies issued on November 13, 2019, also advised that WEC's air dispersion modeling demonstration was at risk of becoming outdated.

As stated in Director Francis C. Steitz's letter dated May 27, 2020, the Department reviewed your response and found that the application remained deficient because WEC failed to make the required emission offset demonstration. The Department requested you to submit within 30 days a complete emission offset demonstration in compliance with N.J.A.C. 7:27-18. A 60-day extension was granted on June 18, 2020.

At your request, the Department met several times with you and various representatives acting on

WEC's behalf regarding the emission offset rules. As previously explained, under N.J.A.C. 7:27-18.3(e)(1), the preconstruction permit application must specify the emission offsets to be applied to the project. Offsets must be within certain geographic area and meet minimum ratio. N.J.A.C. 7:27-18.5.

As communicated to the facility by letter dated April 11, 2018, to assist facilities the Department established the CER02 form, which requests information necessary for the Department to evaluate whether the applicant has provided the necessary emission offset demonstration. This information includes: BOP Activity# and a description of the project that will use the CERs, the amount of net emission increase for the project, banked and discounted values of identified credits, and other relevant information, including all signatures.

Please be advised again that the Department shall not authorize the construction, reconstruction, or modification of any equipment or control apparatus subject to N.J.A.C. 7:27-18 unless the facility has demonstrated that the facility will be in compliance with all applicable requirements at the time operation begins. N.J.A.C. 7:27-18.3(a). N.J.A.C. 7:27-18 requires a facility to secure emission offsets for each air contaminant having a significant net emission increase at the facility. N.J.A.C. 7:27-18.3(c). These emission offsets are to be specified as part of the permit application. N.J.A.C. 7:27-18.3(e)(1). To date, WEC has offered to provide letters stating that "ABC" owner of banked emissions credits "would be willing to sell all or part of these credits to CPV Keasbey under agreeable terms now or in the future to the extent that the ... emission reduction credits remain available" or that the credit owner "will commit its ... emission reduction credits to CPV Keasbey, as air emission offsets for the Keasbey Energy Center, under agreeable purchase agreement terms." These letters offer only potential sources of offsets. As WEC has not specified the offsets to be applied to the project that will be secured prior to operation, the application is not complete.

Based on the above, the Department is issuing this Third Notice of Technical Deficiencies ("Third Notice"). WEC must address the following deficiencies:

1. Submit a complete emission offset demonstration in compliance with N.J.A.C. 7:27-18. As noted above, the CER02 form requests the information necessary. If you choose not to utilize the CER02 form, please provide all equivalent information so that the Department can determine compliance with the emission offset rules. In addition to the specific, technical information requested, the CER02 form includes signature lines for both the buyer and seller of credits identified on the transfer form. These signatures are required to ensure that the credits specified to be applied have been committed to the project and prior to operation, will be secured. This requirement may be satisfied if you provide a certification by a responsible corporate official that the specified offsets are to be and will be applied to the project and will be secured prior to operation.
2. As the Department in its First Notice and Second Notice cautioned would happen, WEC's air dispersion modeling has become outdated. Please submit a new air dispersion modeling report using the latest approved version of AEROMOD.
3. Some Equipment and Control Device Details Screens have not been filled out in the project's RADIUS application. Specifically, no make, manufacturer, or model has been provided for the auxiliary boiler (E203), fire pump (E204), emergency generator (E205), and cooling tower (E206). Also, the application provides no details whatsoever for the selective catalytic reduction system (CD201), oxidation catalyst (CD202), drift eliminator (CD203) and low NOx

burners (CD204). The information requested on those detail screens is required to complete the application prior to issuing a draft permit for public comment.

Please submit the required information within 30 days of the date of this Third Notice. Failure to do so is grounds for denial of the Title V Significant Modification application. N.J.A.C 7:27-22.3(ff). Alternatively, WEC can withdraw the pending application BOP160004.

If you have any questions regarding this matter, please call me at (609) 633-1129.

Sincerely,

A handwritten signature in black ink, appearing to read "David J. Owen". The signature is fluid and cursive, with the first name "David" and last name "Owen" clearly distinguishable.

David J. Owen
Bureau of Stationary Sources

C: A. Khan
J. Leon
Central Regional Office
C. Bergeron, Woodbridge Energy Center