



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

OFFICE OF
AIR AND RADIATION

Gerald Gatti
General Manager,
Northeastern Power Company
P.O. Box 7
McAdoo, PA 18237-0007

Dear Mr. Gatti:

The Acid Rain Division has received your request for an applicability determination for the NEPCO Kline Township Cogeneration Facility ("NEPCO") under 40 CFR Part 72.6(c).

This letter represents EPA's official determination of applicability for NEPCO which commenced commercial operation in September 1989 (ORISPL number 50039).

From the information in your October 18, 1994 letter, NEPCO's Kline Township Cogeneration Facility consists of one fluidized bed boiler serving one 55 MWe net output capacity generator. NEPCO is an independent power producer, meeting the definition at 40 CFR §72.2, and a qualifying facility (QF-85-678). NEPCO is the subject of June 1986 power sales agreement with Pennsylvania Power and Light for 55 MWe (net output) (100% of the planned net output capacity).

Based on your petition, the unit at NEPCO's Kline Township Cogeneration Facility is not affected under the Acid Rain Program. A unit needs only to meet the criteria of one provision of 40 CFR 72.6(b) to be unaffected. 40 CFR §72.6(b)(5) provides that qualifying facilities with qualifying power purchase commitments prior to November 15, 1990 are exempt from all requirements under Title IV. Paragraph (b)(5) also requires that the power purchase commitment(s), as of November 15, 1990, represent at least 15 percent of the total planned net output capacity. 40 CFR 72.6(b)(6) provides a similar exclusion from the Acid Rain Program for independent power production facilities with qualifying power purchase commitments prior to November 15, 1990. NEPCO meets the requirements under both 40 CFR 72.6(b)(5) and (6) for an unaffected qualifying facility and an unaffected independent power production facility. However, the regulations limit the exempted facility to 130 percent of the total planned net output capacity. Thus, if more than 71.5 MWe of net output capacity is ever constructed at the facility, one or more units serving the capacity in excess of 130% will become affected by the Acid Rain Program requirements. (See 40 CFR §72.6(b)(5)(ii) and (6)(ii).)

This determination is based solely on the representations made in your letter and attachments of October 18, 1994. According to 40 CFR 72.6(c)(5), this decision may be appealed under 40 CFR part 78. Under the requirement of 40 CFR §72.6(c), you are required to send copies of this letter to each owner or operator of the NEPCO facility. If you have further questions regarding the Acid Rain Program, please contact Kathy Barylski of my staff at (202) 233-9074.

Sincerely,

/s/ (March 13, 1996)

Brian J. McLean, Director
Acid Rain Division