



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

OFFICE OF  
AIR AND RADIATION

William C. Gleason, General Manager  
Vermont Marble Power Division of OMYA, Inc.  
61 Main Street  
Proctor, VT 05765

Dear Mr. Gleason:

This letter represents U.S. EPA's official determination of applicability under the Acid Rain Program for units 1 and 2 at the Florence facility (ORIS plant code 7337), which is owned and operated by the Vermont Marble Power Division of OMYA, Inc. This determination is made in response to your March 26, 1996 letter to John Perreault of the State of Vermont, a copy of which was subsequently forwarded by the State of Vermont to U.S. EPA Region 1 and to the Acid Rain Division at U.S. EPA Headquarters, Washington, D.C. The March 26, 1996 letter to the State of Vermont is being treated as a formal petition for an applicability determination by U.S. EPA under 40 CFR 72.6(c), as you requested in a September 6, 1996 phone conversation with Robert Miller of U.S. EPA's Acid Rain Division.

For the reasons discussed below, U.S. EPA concludes that Florence units 1 and 2 are not affected units under the Acid Rain Program. Although both are units as defined under 40 CFR 72.2 ("fossil-fuel fired combustion devices"), they are also cogeneration units, which (as defined under 40 CFR 72.2) "produce electric energy and forms of useful thermal energy (such as heat or steam) for industrial, commercial, heating or cooling purposes, through the sequential use of energy." The energy produced by units 1 and 2 is used for two purposes: for each unit, number two fuel oil or natural gas is combusted to produce electricity in a 3.8 MW gas turbine and exhaust heat from the generator is subsequently used to evaporate moisture that accumulates on ground marble processed at the Verpol plant in Florence, Vermont. Since some of the heat used to produce electricity is then used to dry the ground marble, the use of the energy is "sequential" as that term is applied in the definition of "cogeneration unit" in 40 CFR 72.2.

Under 40 CFR 72.6(b)(4)(ii), a cogeneration unit for which construction commenced after November 15, 1990 that supplies an annual average of no more than 219,000 MWe-hours of actual electric output or no more than one-third of its potential electrical output capacity to a utility power distribution system on an annual basis is not considered a utility unit and is therefore not considered an affected unit under the Acid Rain Program.

Construction commenced on the Florence facility in June 1991. Units 1 and 2 are 3.8 MW gas turbines capable of producing 33,288 MWe-hours each (3.8 multiplied by 8760 hours, the number of hours in a year) of actual electric output annually if they were operated throughout the

year (i.e., at 100% load factor). This maximum annual electric output is well below the 219,000 MWe-hour threshold necessary for a unit to be an affected unit.

If (contrary to the above analysis) Florence unit 1 or 2 supplies, for any three calendar year period, an annual average of more than 219,000 MWe-hours of actual electric output and more than one-third of its potential electrical output capacity to any utility power distribution system, that unit will be considered a utility unit and therefore an affected unit. As an affected unit, the unit will have to comply with all applicable requirements under the Acid Rain Program, including the requirements to apply for and receive an acid rain permit (under 40 CFR part 72) and to monitor and report emissions (under 40 CFR part 75).

This determination is appealable under 40 CFR part 78, and is based on the representations made in your letter of March 26, 1996 and subsequent conversations with Tod Allard, Division Engineer for the Vermont Marble Power Division of OMYA, Inc., and is made in reliance on the accuracy and completeness of those representations. The applicable regulations require you to send copies of this determination to each owner or operator of Florence units 1 and 2 (40 CFR 72.6(c)(1)). If you have further questions regarding the Acid Rain Program, please contact Robert Miller at (202) 233-9077.

Sincerely,

/s/ (September 18, 1996)

Brian J. McLean, Director  
Acid Rain Division

cc: John Perrault, State of Vermont  
Ian Cohen, USEPA Region 1