COMMONWEALTH of VIRGINIA

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STATE AIR POLLUTION CONTROL BOARD ENFORCEMENT ACTION - ORDER BY CONSENT ISSUED TO VIRGINIA ELECTRIC AND POWER COMPANY FOR THE DOMINION – PITTSYLVANIA POWER STATION Registration No. 30871

SECTION A: Purpose

This is a Consent Order issued under the authority of Va. Code §§ 10.1-1309 and -1316, between the State Air Pollution Control Board and Virginia Electric and Power Company, regarding the Dominion – Pittsylvania Power Station in Hurt, Virginia, for the purpose of resolving certain violations of the Virginia Air Pollution Control Law and the applicable permit(s) and regulations.

SECTION B: Definitions

Unless the context clearly indicates otherwise, the following words and terms have the meaning assigned to them below:

1. "Board" means the State Air Pollution Control Board, a permanent citizens' board of the Commonwealth of Virginia, as described in Va. Code §§ 10.1-1184 and -1301.

2. "BRRO" means the Blue Ridge Regional Office of DEQ, located in Roanoke, Virginia.

3. "CEMs" means the NOx and O2 continuous emissions monitors, electronic monitors used to monitor emissions from a stationary source of air pollution, and used for compliance determinations with applicable emission limits.

4. "CFR" means the Code of Federal Regulations, as incorporated into the Regulations.

5. "CGA" means Cylinder Gas Audit, a quality assurance procedure for continuous emission monitoring systems.

6. "Department" or "DEQ" means the Department of Environmental Quality, an agency of the Commonwealth of Virginia, as described in Va. Code § 10.1-1183.

7. "Director" means the Director of the Department of Environmental Quality, as described in Va. Code § 10.1-1185.

8. "Facility" means the Virginia Electric and Power Company's Dominion – Pittsylvania Power Station, located at 821 Grit Road, Hurt, Pittsylvania County, Virginia.

9. "FCE" means a full compliance evaluation by DEQ staff.

10. "Dominion" means Dominion Resources, Inc., a corporation authorized to do business in Virginia and its affiliates, partners, and subsidiaries. Dominion is a "person" within the meaning of Va. Code § 10.1-1300.

11. "Notice of Violation" or "NOV" means a type of Notice of Alleged Violation under Va. Code § 10.1-1309.

12. "NSR Permit" means a New Source Review permit to construct/modify and operate a stationary source of air pollution, which was issued under the Virginia Air Pollution Control Law and the Regulations to Dominion on July 1, 2008.

13. "Order" means this document, also known as a "Consent Order" or "Order by Consent," a type of Special Order under the Virginia Air Pollution Control Law.

14. "RATA" means Relative Accuracy Test Audit, a quality assurance procedure for continuous emission monitoring systems.

15. "Regulations" or "Regulations for the Control and Abatement of Air Pollution" mean 9 VAC 5 chapters 10 through 80.

16. "T5 Permit" means a Title V permit to operate a stationary source of air pollution, which was issued under the Virginia Air Pollution Control Law and the Regulations to Dominion on January 1, 2008 (amended on August 6, 2008).

17. "Va. Code" means the Code of Virginia (1950), as amended.

18. "VAC" means the Virginia Administrative Code.

19. "VEPCO" means Virginia Electric and Power Company, a corporation authorized to do business in Virginia and its affiliates, partners, and subsidiaries. VEPCO is a "person"

within the meaning of Va. Code § 10.1-1300. VEPCO is a wholly owned subsidiary of Dominion Resources, Inc.

20. "Virginia Air Pollution Control Law" means Chapter 13 (§ 10.1-1300 *et seq.*) of Title 10.1 of the Va. Code.

SECTION C: Findings of Fact and Conclusions of Law

1. VEPCO owns and operates the Facility, a power production facility in Hurt, Virginia.

2. The Department issued a T5 Permit to Dominion on January 1, 2008 (amended on August 6, 2008) which authorizes Dominion to construct and operate a stationary source of air pollution. The T5 Permit contains conditions and enumerates limitations on the air emissions from the Facility.

3. The Department issued a NSR Permit to VEPCO on July 1, 2008 which authorizes VEPCO to construct and operate a stationary source of air pollution. The NSR Permit contains conditions and enumerates limitations on the air emissions from the Facility and is the basis for the emission limitations in the T5 Permit.

4. On May 29, 2013, Department staff conducted a FCE of the Facility for compliance with the requirements of the Virginia Air Pollution Control Law, the T5 Permit, the NSR Permit, and the Regulations. At the time of the inspection, Dominion staff stated that they had failed to conduct either a CGA or a RATA on the CEMs for each of the three boilers during the first calendar quarter of 2013.

5. Condition III.B.1 of the T5 Permit and Condition 24 of the NSR permit require that the CEMs be maintained, located, and calibrated as specified in 40 CFR 60 Appendix B and Appendix F.

6. Condition III.B.2 of the T5 Permit and Condition 25 of the NSR permit require that the data capture, quality assurance provisions, and reporting requirements of 40 CFR 60, Subpart Db shall apply to the CEMs.

7. 40 CFR 60 Appendix F requires that Dominion conduct a CGA three out of four calendar quarters and a RATA once every four quarters on the CEMs for each of the three boilers.

8. On June 28, 2013, based on the FCE, the Department issued Notice of Violation No. AWCO #8728 to Dominion for the violations described in paragraphs C(4) through C(7), above.

9. Based on the results of the May 29, 2013 FCE, the Board concludes that Dominion has violated T5 Permit condition III.B.1 of the T5 Permit and Condition 24 of the NSR

permit, Condition III.B.2 of the T5 Permit and Condition 25 of the NSR permit, 40 CFR 60 Appendix F and as described in paragraphs C(4) through C(7), above.

10. Dominion asserts that the violations were discovered on May 20, 2013 during a review of the first quarter 2013 excess emissions data and CGAs were immediately conducted on the CEMs for each of the three boilers and all CEMs passed the CGA. Dominion successfully conducted RATAs on the CEMs for each of the three boilers and all CEMs passed the RATA on May 29, 2013 and completion of the CGAs and RATAs verify that the violation described in paragraphs C(4) and C(7), above, have been corrected.

SECTION D: Agreement and Order

Accordingly, by virtue of the authority granted it in Va. Code §§ 10.1-1309 and -1316, the Board orders VEPCO, and VEPCO agrees to pay a civil charge of $8,645 within 30 days of the effective date of the Order in settlement of the violations cited in this Order.

Payment shall be made by check, certified check, money order or cashier's check payable to the "Treasurer of Virginia," and delivered to:

Receipts Control
Department of Environmental Quality
Post Office Box 1104
Richmond, Virginia 23218

VEPCO shall include its Federal Employer Identification Number (FEIN) 54-0418825 with the civil charge payment and shall indicate that the payment is being made in accordance with the requirements of this Order for deposit into the Virginia Environmental Emergency Response Fund (VEERF). If the Department has to refer collection of moneys due under this Order to the Department of Law, VEPCO shall be liable for attorneys' fees of 30% of the amount outstanding.

SECTION E: Administrative Provisions

1. The Board may modify, rewrite, or amend this Order with the consent of VEPCO for good cause shown by VEPCO, or on its own motion pursuant to the Administrative Process Act, Va. Code § 2.2-4000 *et seq.*, after notice and opportunity to be heard.

2. This Order addresses and resolves only those violations specifically identified in Section C of this Order. This Order shall not preclude the Board or the Director from taking any action authorized by law, including but not limited to: (1) taking any action authorized by law regarding any additional, subsequent, or subsequently discovered violations; (2)

seeking subsequent remediation of the facility; or (3) taking subsequent action to enforce the Order.

3. For purposes of this Order and subsequent actions with respect to this Order only, VEPCO admits the jurisdictional allegations, findings of fact, and conclusions of law contained herein.

4. VEPCO consents to venue in the Circuit Court of the City of Richmond for any civil action taken to enforce the terms of this Order.

5. VEPCO declares it has received fair and due process under the Administrative Process Act and the Virginia Air Pollution Control Law and it waives the right to any hearing or other administrative proceeding authorized or required by law or regulation, and to any judicial review of any issue of fact or law contained herein. Nothing herein shall be construed as a waiver of the right to any administrative proceeding for, or to judicial review of, any action taken by the Board to modify, rewrite, amend, or enforce this Order.

6. Failure by VEPCO to comply with any of the terms of this Order shall constitute a violation of an order of the Board. Nothing herein shall waive the initiation of appropriate enforcement actions or the issuance of additional orders as appropriate by the Board or the Director as a result of such violations. Nothing herein shall affect appropriate enforcement actions by any other federal, state, or local regulatory authority.

7. If any provision of this Order is found to be unenforceable for any reason, the remainder of the Order shall remain in full force and effect.

8. VEPCO shall be responsible for failure to comply with any of the terms and conditions of this Order unless compliance is made impossible by earthquake, flood, other acts of God, war, strike, or such other unforeseeable circumstances beyond its control and not due to a lack of good faith or diligence on its part. VEPCO shall demonstrate that such circumstances were beyond its control and not due to a lack of good faith or diligence on its part. VEPCO shall notify the DEQ Regional Director verbally within 24 hours and in writing within three business days when circumstances are anticipated to occur, are occurring, or have occurred that may delay compliance or cause noncompliance with any requirement of the Order. Such notice shall set forth:

   a. the reasons for the delay or noncompliance;

   b. the projected duration of any such delay or noncompliance;

   c. the measures taken and to be taken to prevent or minimize such delay or noncompliance; and

d. the timetable by which such measures will be implemented and the date full compliance will be achieved.

Failure to so notify the Regional Director verbally within 24 hours and in writing within three business days, of learning of any condition above, which the parties intend to assert will result in the impossibility of compliance, shall constitute a waiver of any claim to inability to comply with a requirement of this Order.

9. This Order is binding on the parties hereto and any successors in interest, designees and assigns, jointly and severally.

10. This Order shall become effective upon execution by both the Director or his designee and VEPCO. Nevertheless, VEPCO agrees to be bound by any compliance date which precedes the effective date of this Order.

11. This Order shall continue in effect until:

    a. The Director or his designee terminates the Order after VEPCO has completed all of the requirements of the Order;

    b. VEPCO petitions the Director or his designee to terminate the Order after it has completed all of the requirements of the Order and the Director or his designee approves the termination of the Order; or

    c. the Director or Board terminates the Order in his or its sole discretion upon 30 days' written notice to VEPCO.

    Termination of this Order, or any obligation imposed in this Order, shall not operate to relieve VEPCO from its obligation to comply with any statute, regulation, permit condition, other order, certificate, certification, standard, or requirement otherwise applicable.

12. Any plans, reports, schedules or specifications attached hereto or submitted by VEPCO and approved by the Department pursuant to this Order are incorporated into this Order. Any non-compliance with such approved documents shall be considered a violation of this Order.

13. The undersigned representative of VEPCO certifies that he or she is a responsible official authorized to enter into the terms and conditions of this Order and to execute and legally bind Domion to this document. Any documents to be submitted pursuant to this Order shall also be submitted by a responsible official of VEPCO.

14. This Order constitutes the entire agreement and understanding of the parties concerning settlement of the violations identified in Section C of this Order, and there are no

representations, warranties, covenants, terms or conditions agreed upon between the parties other than those expressed in this Order.

15. By its signature below, Virginia Electric and Power Company voluntarily agrees to the issuance of this Order.

And it is so ORDERED this 30th day of September, 2013.

Robert J. Weld, Regional Director
Department of Environmental Quality

Virginia Electric and Power Company voluntarily agrees to the issuance of this Order.

Date: 9/19/13 By: Edward H. Baine

Edward H. Baine
Vice President – Power Generation System Operations
Virginia Electric and Power Company

Commonwealth of Virginia
City/County of Henrico

The foregoing document was signed and acknowledged before me this 19 day of September, 2013, by Edward H. Baine, who is Vice President – Power Generation System Operations of Virginia Electric and Power Company, on behalf of the corporation.

Amy L Bowers
Notary Public

7296406
Registration No.

My commission expires: 07/31/2017

Notary seal:

AMY LEIGH BOWERS
COMMONWEALTH OF VIRGINIA
REGISTRATION NO. 7296406
MY COMM. EXPIRES 07/31/2017
NOTARY PUBLIC