



March 11, 2011

By Express Mail

Chief, Env. Enforcement Section
Env. and Natural Resources Division
U.S. Department of Justice
P.O. Box 7611, Ben Franklin Station
Washington, D.C. 20044-7611
Re: DJ #90-5-2-1-09886

Director, Air Enforcement Division
Office of Enforcement and Compliance
U.S. Environmental Protection Agency
Ariel Rios Building [2242A]
1200 Pennsylvania Avenue, N.W.
Washington, D.C. 20460

Director, Air and Radiation Division
U.S. EPA – Region 5 (A-18J)
77 West Jackson Boulevard
Chicago, IL 60604

RE: *United States of America v. American Municipal Power, Inc.*
Case No. 2:10-CV-438-MHW
Periodic Report for July 1-December 31, 2010-Environmental

This report is being submitted to comply with the requirements of the above-captioned Consent Decree executed by and between the United States on behalf of U.S. EPA and American Municipal Power, Inc. ("AMP") related to AMP's Gorsuch Station in Marietta, Ohio. AMP appreciates the two week extension granted by the United States for submittal of this periodic report on or before March 14, 2011. Specifically, pursuant to Section XII of the Consent Decree, AMP submits this periodic report to update U.S. EPA as to AMP's activities related to Gorsuch Station, from July 1 to December 31, 2010, which are set forth as follows:

American Municipal Power Inc.

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Section XII, 79(a) Periodic Report Requirements:

Update on Section IV: Retirement of the Gorsuch Station

AMP permanently shut down and ceased to operate the Gorsuch Station as a coal fired steam and electric generation plant on November 11, 2010. By the end of 2010, the four electric generating unit boilers (B001, B002, B003, and B004) were taken out of service and rendered incapable of combusting coal or producing steam. A retirement notice, which included photographic documentation of the retirement activities, was submitted on January 3, 2011 to Ohio EPA. This notice and all accompanying documentation is attached as Appendix A to this periodic report.

Update on Section V: NO_x Emissions/Surrender of NO_x Allowances

The 2010 facility-wide NO_x ton limitation for Gorsuch Station set by Section V. of the Consent Decree is 2,600 tons. The 2010 Clean Air Interstate Rule ("CAIR") NO_x allocation for the facility is 1,363 tons. Actual 2010 facility-wide NO_x emissions at Gorsuch Station totaled 1,702 tons as measured by CEMS and reported in accordance with the procedures specified in 40 CFR part 75. Although actual NO_x emissions were less than the Consent Decree's 2010 Plant-Wide NO_x Tonnage limitation, the emissions were greater than the 2010 CAIR allocation. Therefore, no Super Compliant allowances were generated, as that term is defined in the Consent Decree. Since all 2010 CAIR NO_x allowances allocated will be used to satisfy compliance obligations below the Consent Decree's 2,600 ton NO_x limit, there are no NO_x allowances to surrender to USEPA.

Except as set forth in the Gorsuch Title V Semi-Annual Report (July-December 2010), Appendix B, the existing low NO_x burners and the existing rotating overfire air systems on Units 2 and 3 were continuously operated during all times these units were in operation, consistent with the technological limitations, manufacturers' specifications, and good engineering and maintenance practices for minimizing emissions to the extent practicable.

Update on Section VI: SO₂ Emissions and the Surrender of SO₂ Allowances

The 2010 facility-wide SO₂ Tonnage limitation for Gorsuch Station set by Section VI. of the Consent Decree is 26,000 tons. AMP's 2010 CAIR SO₂ allocation for the facility is 19,530 tons. Actual 2010 Plant-Wide SO₂ emissions at Gorsuch Station totaled 16,651 tons as measured by CEMS and reported in accordance with the procedures specified in 40 CFR Part 75. Thus, AMP generated 2,879 Super Compliant SO₂ allowances, as that term is defined in the Consent Decree. AMP plans to use, sell, trade or transfer all 2010 Super Compliant SO₂

allowances. As such, AMP does not anticipate surrendering any 2010 allocated SO₂ allowances to USEPA.

Except as set forth in the Gorsuch Title V Semi-Annual Report (July-December 2010), Appendix B, AMP continuously operated all existing SO₂ control measures, including coal blending procedures, to reduce SO₂ emissions at all times that the Gorsuch Station was in operation, consistent with the technological limitations, manufacturer's specifications, and good engineering and maintenance practices.

Update on Section VII: PM Emission Reductions

AMP operated each ESP at each unit for which an ESP is attached at Gorsuch Station when the units were in operation, consistent with the technological limitations, manufacturer's specifications and good engineering and maintenance practices for each ESP. Specifically and to the extent reasonably practicable, AMP: (a) fully energized each section of the ESP for each unit; (b) operated the automatic control systems on each ESP to maximize PM collection efficiency; and (c) maximized power levels delivered to the ESP consistent with the manufacturer's specifications, the operational design of the unit and good engineering practices; and (d) optimized the plate-cleaning and discharge electrode-cleaning systems for each ESP.

Section XII, 79(b) Periodic Report Requirements:

Update on Super Complaint Allowances (Paragraphs 45, 57)

As explained in Section XII, 79(a) above, AMP did not generate any Super Compliant NO_x Allowances for 2010. AMP did generate 2,879 Super Compliant SO₂ Allowances for 2010 based on emissions reductions beyond the requirements of the Consent Decree.

Section XII, 79(c) Periodic Report Requirements:

Update on Section VIII: Netting Credits or Offsets

AMP has not yet initiated a Nonattainment New Source Review (NSR) project at Gorsuch. However, the following offsets, for the purposes of any Nonattainment NSR project, have been generated in 2010 based on emissions reductions:

Pollutant	Tons
NO _x	3,698
PM	1,917
SO ₂	31,868