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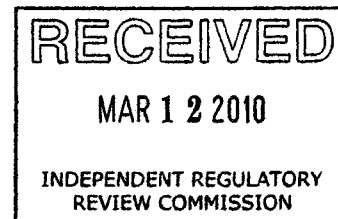


*A New Generation of Energy*

VIA OVERNIGHT MAIL AND EMAIL

March 11, 2010

Environmental Quality Board  
Rachel Carson State Office Building, 16<sup>th</sup> Floor  
400 Market Street  
P.O. Box 8477  
Harrisburg, PA 17105



**Re: Proposed Amendments to 25 PA Code CHS. 92 and 92a  
40 Pennsylvania Bulletin 847, Saturday, February 13, 2010**

Members of the Environmental Quality Board:

On behalf of Conectiv Bethlehem, LLC and Conectiv Mid Merit, LLC (collectively "Conectiv Energy", "Conectiv" or "the Company"), Conectiv Energy respectfully submits the following comments concerning the Proposed Amendments to 25 PA Code CHS 92 and 92a issued by the Pennsylvania Department of Environmental Protection ("PADEP") as published in *The Pennsylvania Bulletin* on February 13, 2010. As discussed below, Conectiv is the owner and operator of two, state of the art, energy efficient and environmentally friendly combined cycle electric generating facilities that are located in Bethlehem (Northampton County) and Delta (York County), Pennsylvania. As such, the Company is a substantial stakeholder with respect to the environmental permitting, proper management, and use of the waters of Pennsylvania.

The Company is concerned about PADEP's proposal to increase permitting fees from a five year renewal fee cycle to an annual cycle with associated recurring fee increases. Moreover, the Company is very concerned about the Department's proposal to lower the Total Suspended Solids (TSS) discharge limits contained in the proposed amendments on power generation sector facilities that are currently employing protective water management practices.

As discussed above, Conectiv Energy owns and operates the Bethlehem Power Plant in the City of Bethlehem, Pennsylvania, which discharges non-contact cooling water and stormwater to the Lehigh River. Conectiv Energy is also building the Conectiv Delta Power Plant in Peach Bottom Township, Pennsylvania, which will discharge non-contact cooling water and stormwater to the Susquehanna River.

Each of the two Conectiv Energy power plants in Pennsylvania are state of the art, energy efficient, and environmentally friendly combined cycle electric generating stations primarily firing natural gas, designed to produce approximately 1,100 megawatts of electric energy. These state of the art power plants were constructed as per § 316(b) of the Clean Water Act (33 U.S.C.A. § 1326) requirements for recirculating cooling towers for new facilities. Utilization of recirculating non contact cooling towers allows for a substantial reduction in the volume of intake and discharge surface water that would otherwise be needed with the deployment of "once through" cooling systems. Evaporative water losses and optimized cycling of recirculating water in the cooling tower increases the concentration of these background levels of TSS in the discharged water. Conectiv Energy's cooling towers, for example, are designed to recirculate cooling water routinely up to 6 cycles. Thus, the cooling tower water TSS discharges can be as much as 6 times higher than the naturally occurring background levels.

The proposed limits in Chapter 92a would result in Conectiv Energy dramatically reducing the number of cycles of concentration in their recirculating cooling towers, therefore significantly increasing water usage. In addition, the engineering design of a cooling tower leads to operational constraints should it be forced to minimize the number of cycles of concentration. These limiting factors could adversely affect the power generation output of the energy efficient plant and has implications that need to be reviewed by planning agencies as well as federal agencies such as the Susquehanna River Basin Commission (SRBC), and the Delaware River Basin Commission (DRBC).

Furthermore, PADEP Act 220 annual report requires Conectiv Energy to submit water usage data. The Act utilizes this information for future water planning. The proposed TSS limitations would substantially increase Conectiv Energy facilities' water usage, which will impact Act 220's ability to project future water use needs. Conectiv Energy's commitment to environmental stewardship includes a proactive approach to conserve valuable natural resources such as water.

The quality and baseline concentration levels of TSS in the surface water source, and therefore within the plant environment, is directly influenced by external factors such as seasonal variability, drought, flooding, temperature, maintenance activities (i.e. road salt runoff), and various other factors. Therefore, Conectiv believes that the proposed TSS limit would be more appropriate as a net value (the difference between influent and effluent concentrations) versus a technology based limit of 60 mg/L (monthly average). This rationale should also be applied to the proposed CBOD<sub>5</sub> (carbonaceous biochemical oxygen demand, 5-day) limit.

Proposed § 92a.28 and 92a.62 Application Fees and Annual Fees are not insignificant as compared to current PADEP annual NPDES fees. The proposed fees' structure relies on industry to carry the burden. This section also states "the proposed rulemaking provides for a general review of the permit fee structure every 3 years, to assure that the fees continue to cover the cost of maintaining the program". With such a dramatic change to the fee structure, Conectiv Energy suggests that the 3 year review incorporate the various stake holders, including industry, to help provide oversight and ensure transparency of services and costs.

The proposed rulemaking states that "the new permit fees are the only broad-based new requirement that would increase costs for permittees", however there are numerous indirect costs

that would result from implementation of the rule in its current form. These costs include, but are not limited to increased consumptive and non-consumptive water use charges, increased chemical costs and the possibility for an on-site waste water treatment plant (WWTP) at each facility. Costs incurred for the implementation and operation of a WWTP would include permit fees, chemical costs, utilities, manpower and solid waste disposal (i.e. laboratory, sampling, transportation, landfill fees).

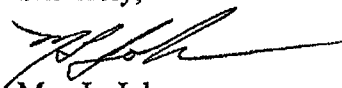
§ 92a.12(f), Treatment Requirements, needs to be clarified regarding a point of projected withdrawal for a new potable water supply. The clarification should include applicability, distance from permittee discharge to potable water intake, cost benefit analysis and implementation timing.

In summary, the proposed limitations on TSS specifically at these plants would require substantial treatment, at potentially prohibitive costs and concurrent substantial increases in water withdrawals and a constraint on clean, energy efficient power generation. These potentially large indirect costs are in addition to the substantial fee increases proposed by PADEP. None of these consequences may have been intended by PADEP when it issued the proposed amendments.

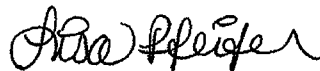
Conectiv Energy requests that PADEP consider the wide sweeping consequences of these proposed regulations, withdraw them as they are written, and develop a more focused approach that addresses TSS issues in impaired streams and watersheds, while providing proper consideration of the potential impacts to industry in Pennsylvania.

Thank you for consideration of these comments. If you should have any questions regarding the above comments, please feel free to contact May Johnson at 302-451-5083 ([may.johnson@conectiv.com](mailto:may.johnson@conectiv.com)) or Lisa Pfeifer at 302-451-5059 ([lisa.pfeifer@conectiv.com](mailto:lisa.pfeifer@conectiv.com)).

Sincerely,



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Conectiv Energy



Lisa E. Pfeifer  
Environmental Consultant  
Conectiv Energy

cc: J. Prestia-Scanlon  
J. Salinas  
J. Klickovich  
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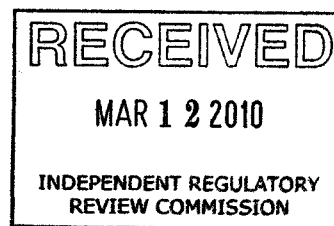
**From:** Lisa.Pfeifer@conectiv.com  
**Sent:** Friday, March 12, 2010 12:37 PM  
**To:** EP, RegComments  
**Subject:** Conectiv Energy Comments on Proposed Chapter 92a Regulations  
**Attachments:** conectiv PADEP chapter 92a comments.pdf

To Whom It May Concern:

Conectiv Energy respectfully submits the attached comments on the Proposed Chapter 92a Regulations as published in the February 13, 2010 *Pennsylvania Bulletin*. These comments were also submitted to the Environmental Quality Board via one day mail.

Sincerely,  
Lisa Pfeifer  
Conectiv Energy

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