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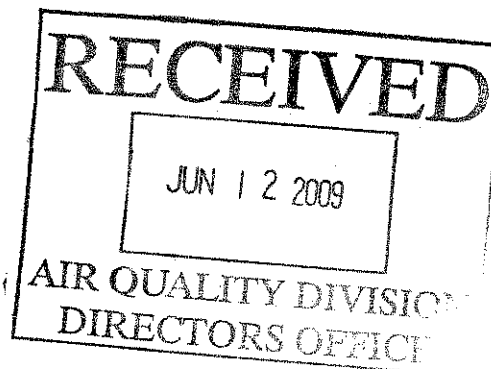
North Carolina Department of Environment and Natural Resources

Beverly Eaves Perdue
Governor

June 8, 2009

Dee Freeman
Secretary

A. Stanley Meiburg, Acting Regional Administrator
Environmental Protection Agency Region IV
Atlanta Federal Center
61 Forsyth Street
Atlanta, Georgia, 27699



Dear Mr. Meiburg:

Stan

Thank you for your letter of April 30, 2009 regarding Duke Energy's Carolinas Cliffside Steam Station. I am writing today to follow up in this regard.

While your letter does not indicate EPA Region 4 found any error with regard to the N.C. Division of Air Quality's area source determination for Cliffside Unit 6, you did, however, recommend more intensive monitoring of hydrogen chloride (HCl) at Cliffside Unit 6. The NCDAQ specifically addressed the monitoring of HCl in permit conditions on the revised air quality permit. It is clear that both EPA and NCDAQ are interested in the same outcome, that Duke Energy perform to the level of their HCl limits set forth in the permit.

One of the concerns associated with using continuous HCl monitoring is the low HCl concentration expected in the exhaust of Cliffside Unit 6. The expected HCl concentrations are lower than the EPA's performance specifications for allowable drift, making it highly unlikely that such a monitor would provide accurate or meaningful data. The State believes that current monitoring requirements, which include a combination of fuel sampling and analysis; frequent stack testing; and emission control monitoring provides sufficient assurance that the actual emissions will remain well below the major source threshold. When Unit 6 commences operation, additional information will be available that will allow NCDAQ to consider actual operating conditions and stack test results in deciding whether, and to what extent, additional monitoring might be needed. It is suggested that a decision to require any additional conditions for monitoring await the referenced operating information and test results.

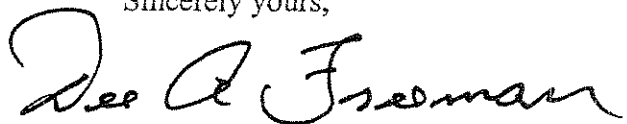
As you are aware, North Carolina has been, and continues to be, a leader in the Southeast and the nation with regard to reducing emissions from coal-fired electric generating units. North Carolina enacted the Clean Smokestacks Act in 2005, one of the first actions by an individual state to require dramatic emission reductions from investor owned coal-fired electric utilities. In addition, North Carolina filed Clean Air Act Section 126 petitions with EPA and has successfully sued the Tennessee Valley Authority to ensure further reductions from out-of-state sources that affect North Carolina's air quality.

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Finally, the Cliffside Steam Station permit authorizing the construction and operation of Unit 6 also requires the permanent shutdown of four older, less efficient and more polluting, coal-fired units at the Cliffside site. It is expected that the net emissions change at the site will be a reduction in sulfur dioxide emissions of over 20,000 tons per year.

Thank you, as always, for your helpful review of important permitting issues such as the Cliffside Plant, and I appreciate very much your constructive suggestions as set forth in your recent letter. If you have any further questions regarding this matter, please do not hesitate to contact Keith Overcash, Director of the DAQ, at 919 725-6290, or me at 919 715-4102.

Sincerely yours,

A handwritten signature in cursive script that reads "Dee A. Freeman". The signature is written in dark ink and is positioned above the printed name and title.

Dee Freeman
Secretary

DAF/

cc: Robin Smith, NCDENR
Keith Overcash, NCDAQ