



File Code: 2580-3

Date: December 4, 2007

Mr. Rob Feagins  
Virginia Department of Environmental Quality  
Southwest Regional Office  
355 Deadmore Street  
Abingdon, VA 24212

Dear Mr Feagins:

We received the draft Prevention of Significant Deterioration (PSD) permit for the proposed Virginia City Hybrid Energy Center on November 13, 2007. Dominion Power is proposing to construct and operate two identical 290-MW circulating fluidized bed (CFB) boilers at the former Virginia City surface mine site in southwestern Virginia (Wise County). The proposed facility is planning to burn coal refuse, run-of-mine coal, wood waste/biomass, and diesel fuel. The proposed annual sulfur dioxide emissions from the CFB boilers after controls would be 3,292 tons per year (tpy); while nitrogen oxide, particulate matter 10 microns and smaller, and sulfur acid mist are requested to be permitted at 1,920; 329; and 137 tpy.

There are five federally mandated Class I areas managed by the USDA Forest Service that could be impacted by this new source of air pollution. The Class I areas are Wildernesses located in three states: James River Face (161 miles) in Virginia; Linville Gorge (70 miles), Shining Rock (105 miles), and Joyce Kilmer-Slickrock (135 miles) in North Carolina; and Cohutta (181 miles) in Georgia. I will be the only Federal Land Manager from the USDA Forest Service who will be providing comments on the proposed project.

Based upon review of the material we have received, our preliminary determination is that sulfur dioxide emissions from the proposed Virginia City Hybrid Energy Center may cause adverse impacts to the visibility and flora Air Quality Related Values at Linville Gorge Wilderness. The technical basis for our preliminary determination can be found in the attached document entitled "Proposed Virginia City Hybrid Energy Center Impacts to the Air Quality Related Values at Five USDA Forest Service Class I areas."

We continue to encourage the applicant to seek ways to reduce sulfur dioxide emissions from the proposed facility in order to mitigate the adverse impacts to Linville Gorge Wilderness, and for VDEQ to include these reductions in the final PSD permit. One opportunity to reduce emissions from this project would be to install better control technology and/or limit the emission rate of sulfur dioxide. We encourage the applicant and your agency to consider the Best Available Control Technology comments provided to you by the National Park Service. Also, we wanted to bring to your attention that the Indiana Utility Regulatory Commission has recently permitted a integrated gasification combine cycle (IGCC) that will burn high sulfur Indiana bituminous coal (see [http://www.ai.org/iurc/43114order\\_112007.pdf](http://www.ai.org/iurc/43114order_112007.pdf)).



Another method to reduce sulfur dioxide emissions and mitigate the adverse impacts would be to burn a lower maximum percent sulfur content coal. The draft PSD permit notes the combined maximum sulfur content as fired of the bituminous coal and coal refuse is 2.28 percent. .

We are looking forward to cooperating with your agency and Dominion Power to seek ways to reduce sulfur dioxide emissions from the proposed facility to mitigate the adverse impacts to Linville Gorge Wilderness. If emission reductions are proposed in a revised draft PSD permit then the applicant will need to complete a revised atmospheric modeling analysis to determine if the adverse impacts to the flora and visibility have been adequately mitigated.

Please feel free to contact Bill Jackson (828-257-4815) of my staff if you have any question.

Sincerely,

/s/ Marisue Hilliard  
MARISUE HILLIARD  
Forest Supervisor

cc: Gregg Worley EPA Region IV  
Sharon McCauley EPA Region III  
Ms. Pamela F. Faggert Dominion Power  
Mr. John Bunyak National Park Service