



North Carolina Department of Environment and Natural Resources
Division of Air Quality

Beverly Eaves Purdue
Governor

B. Keith Overcash, P.E.
Director

Dee Freeman
Secretary

July 23, 2009

Mr. Terrance W. Ryan
Vice President, Asset Management
North Carolina Electric Membership Corporation
P.O. Box 27306
Raleigh, NC 27611-7306

SUBJECT: 2009 Clean Air Interstate Rule (CAIR) Allowances from New Unit Set-aside
North Carolina Electric Membership Corporation (NCEMC) – Anson Plant
Air Quality Permit No. 09492R04
Facility ID 0400050
Lilesville, North Carolina
Anson County

Dear Mr. Ryan:

This is in response to the December 17, 2008, request from Ms. June Small for 2009 NO_x allowances for the NCEMC Anson Plant. We have determined the facility is considered a new unit under 40 CFR 96.142, *CAIR NO_x allowance allocations* and 40 CFR 96.342, *CAIR NO_x Ozone Season allowance allocations*. Paragraph (c)(3) of either regulation allows the CAIR designated representative to request control period CAIR NO_x allowances based on the amount of NO_x emissions during the calendar year immediately preceding the control period. Since the 2008 NO_x emissions from this facility were 40 tons of which 39 tons were emitted during the ozone season (May 1 through September 30), the approved 2009 annual NO_x allocation will be 40 tons which includes 39 tons allocated for the ozone season.

The Division of Air Quality (DAQ) will issue these allowances (from North Carolina's new unit set-aside account) through EPA's Clean Air Markets Division (CAMD). Should the facility emit less than the allocated quantities, the State of North Carolina will return the remaining allowances to its new unit set-aside account; such allowances cannot be banked, traded, or sold. Should the actual amount of NO_x emissions from the facility exceed its allocation, you must obtain sufficient allowances to cover that difference from the cap and trade market operated by CAMD.

Until DAQ completes a periodic reallocation per 15A NCAC 02D .2413, you must make an annual allocation request. NO_x allocations for the requested year must be based upon the previous year's actual NO_x emissions. Requests for CAIR NO_x annual allowances should be made on or before

Mr. Terrance W. Ryan

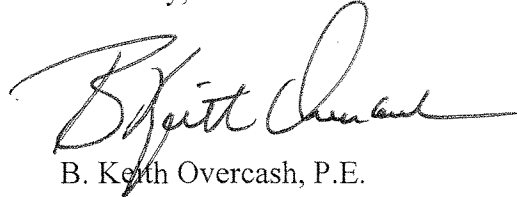
July 23, 2009

Page 2

May 1, and requests for CAIR NOx ozone season allowances should be made on or before February 1.

Should you have any questions regarding this approval, please contact Alan Drake at (919) 715-6256 or Glenn Sappie at (919) 715-3822.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Keith Overcash". The signature is fluid and cursive, with a long horizontal stroke at the end.

B. Keith Overcash, P.E.

cc: Michael Abraczinskas – RCO
Alan Drake – RCO
Michael Pjetraj – RCO
Glenn Sappie – RCO
Steven Vozzo – FRO
Central File – Anson County