

**PUBLIC NOTICE OF PROPOSED FEDERAL OUTER CONTINENTAL SHELF
AIR PERMIT APPROVAL, PUBLIC COMMENT PERIOD, AND
PUBLIC HEARINGS**

Cape Wind Energy Project

Offshore Renewable Wind Energy Project

EPA Region I Draft OCS Permit Number OCS-R1-01

**United States Environmental Protection Agency - Region I
5 Post Office Square - Suite 100
Boston, MA 02109-3912**

The United States Environmental Protection Agency Region 1 office (EPA-Region I) proposes to issue an Outer Continental Shelf (OCS) air permit to Cape Wind Energy, LLC (Cape Wind). Cape Wind proposes to install and operate 130 wind turbine generators (WTGs) and other supporting equipment (The Project) in a grid pattern on or near the Horseshoe Shoal in Nantucket Sound, Massachusetts. On December 17, 2008, Cape Wind filed an OCS air permit application with the EPA-Region 1 office for the project. EPA Region 1 is proposing to approve Cape Wind's OCS air permit application and to issue an OCS air permit to Cape Wind. This action is authorized pursuant to section 328 of the Clean Air Act (CAA) and Title 40 of the Code of Federal Regulations (CFR), parts 55 and 124.

Applicant's Name and Address: Cape Wind Associates, LLC
75 Arlington St., Suite 704
Boston, MA 02116

Proposed Project Location: Horseshoe Shoal, Nantucket Sound

OCS Air Permit Requirements:

Section 328(a) of the CAA requires that EPA establish air pollution requirements for OCS sources located within 25 miles of States' seaward boundaries. These requirements are codified in 40 C.F.R. part 55 and apply the same pollution control requirements to an OCS source that would apply to that source if it was locating in the corresponding onshore area (COA). The COA is typically the onshore attainment or nonattainment area that is closest to the source.

Cape Wind OCS Air Permit Application:

On December 7, 2007, Cape Wind submitted an OCS Notice of Intent to EPA Region 1 that identified Massachusetts as the COA, provided information on potential emissions from the construction and operation of the project, and identified the state and federal

requirements that may apply to the project. Among other requirements, the NOI identified the Massachusetts Plan Approval regulations under 310 CMR 7.02 and the Massachusetts nonattainment New Source Review requirements under 310 CMR 7.00: Appendix A as potentially applicable to the project. Both regulations include technology based emission control requirements. EPA codified these regulations and other potentially applicable state regulations into 40 CFR part 55 on September 17, 2008.

On December 17, 2008, Cape Wind submitted an OCS air permit application to EPA Region 1. The application stated that during the construction and operation of the Cape Wind project, Cape Wind will use various types of construction equipment that are powered with diesel compression ignition engines. The engines emit criteria pollutants including nitrogen oxides (NO_x), carbon monoxide (CO), particulate matter (PM), sulfur dioxide (SO₂) and volatile organic compounds (VOC). The application provided information to show how Cape Wind would meet the air permit requirements codified in 40 C.F.R. part 55 and all other applicable federal requirements. The application stated that Cape Wind would:

- apply Lowest Achievable Emission Rate (LAER) for nitrogen oxides emissions during the Cape Wind project construction phase (Phase 1);
- obtain NO_x emission reductions to offset the Phase 1 NO_x emissions;
- apply Best Available Control Technology (BACT) for all emissions during Phase 1 and the Cape Wind project operational phase (Phase 2);
- perform an air quality analysis to ensure that the emission increase from the project would not cause or contribute to a violation of any applicable National Ambient Air Quality Standards (NAAQS), which are maximum concentration “ceilings” measured in terms of total concentration of a pollutant in the atmosphere; and
- comply with all other state and federal regulations.

Summary of Proposed OCS Air Permit Requirements:

(The following is only a summary. For the complete list of proposed requirements and an explanation for their derivation, see the fact sheet and draft permit.)

EPA is proposing to issue an OCS air permit to Cape Wind that would cover the project’s construction period (Phase 1) and the operational period (Phase 2). EPA is proposing that Cape Wind control air emissions using the following emission control technologies and operations:

- the use of newer low-NO_x engines installed with diesel oxidation catalysts that reduce NO_x, PM, CO, and VOC emissions; and
- the use of ultra-low sulfur diesel (ULSD) for all construction equipment that reduces SO₂ and PM emissions.

The proposed air permit would also require Cape Wind to offset its Phase 1 NO_x emissions by buying 285 tons of NO_x emission reduction credits. These offsets would be purchased through the Massachusetts offset trading bank.

Finally, for Phase 2, to provide Cape Wind the ability to conduct any necessary repair activities without the need to obtain a revised permit, EPA is proposing that Cape Wind limit the Project's Phase 2 NOx emissions to 49 tons per year or less.

Air Quality Analysis:

Cape Wind's air quality analysis showed that the impact from the proposed project is below all applicable NAAQS. EPA reviewed this analysis and agrees that the impact from the proposed project is below all applicable NAAQS.

Public Comment Process:

The public comment period for this proposed action will open June 11, 2010 and close on July 16, 2010. During the public comment period, any interested person may submit written comments on the draft permit itself and/or the analyses in the fact sheet or elsewhere in the administrative record that support the draft permit (including the methodology employed to determine ambient air quality impacts). You may also submit written or oral comments at one of the public hearings (see below).

All persons, including applicants, who believe any condition of the draft permit is inappropriate or that EPA's tentative decision to prepare a draft permit is inappropriate, must raise all reasonably ascertainable issues and submit all reasonably available arguments supporting their position by the close of the public comment period (including the public hearings). Any supporting materials which are submitted must be included in full and may not be incorporated by reference, unless they are already part of the administrative record in the same proceeding, or consist of State or Federal statutes and regulations, EPA documents of general applicability, or other generally available reference materials.

If you submit a comment to EPA, please state:

- (1) The action you wish EPA to take, including specific references to the portions of the draft permit you believe should be changed, if any; and
- (2) The reasons supporting your position, stated with sufficient specificity as to allow EPA to evaluate the merits of your position.

All comments received during the comment period will be included in the administrative record and will be available to the public. The public comment period for the draft OCS permit ends on July 16, 2010. To be considered, written comments should be postmarked no later than July 16, 2010. Comments should be submitted to:

Brendan McCahill, Environmental Engineer
U.S. Environmental Protection Agency – Region 1
5 Post Office Square
Suite 100, Attn: OEP-5-2
Boston, MA 02109-3912

In addition, EPA will hold three public hearings at the following times, dates and locations:

Tuesday, July 13, 2010 – 5 PM
Nantucket High School Auditorium,
10 Surfside Road,
Nantucket, Massachusetts

Wednesday, July 14, 2010 – 5 PM
Martha's Vineyard Regional High School Auditorium,
100 Edgartown-Vineyard Haven Road,
Oak Bluffs, Massachusetts

Thursday, July 15, 2010, - 5 PM
Mattacheese Middle School Auditorium, 400 Higgins-Crowell Road,
West Yarmouth, Massachusetts

Procedure after Public Comment Period:

After the close of the public comment period, EPA will consider all submitted comments, and issue a final permit decision accompanied by a response to comments. Within 30 days after the final permit decision has been issued, any person who filed comments on the draft permit or participated in a public hearing may submit a petition to EPA's Environmental Appeals Board (EAB) in Washington, D.C., to review any condition of the permit decision. Any person who failed to file comments or failed to participate in the public hearing on the draft permit may petition for administrative review only to the extent of the changes from the draft to the final permit decision. The petition shall include a statement of the reasons supporting review, including a demonstration that any issues raised were raised during the public comment period (including the public hearings). Where appropriate, the petition should include a showing that the condition in question is based on:

- (1) A finding of fact or conclusion of law which is clearly erroneous, or
- (2) An exercise of discretion or an important policy consideration which the EAB should, in its discretion, review.

All data submitted by the applicant is available as part of the administrative record. The administrative record, including copies of the draft OCS permit, original and supplemental OCS permit applications, fact sheet, and other supporting documents may be viewed between 9:00 a.m. and 4:00 p.m., Monday through Friday, at the EPA – Region 1 office at 5 Post Office Square, Suite 100, Boston, MA 02109-3912 or may be obtained on-line at EPA New England's website at <http://www.epa.gov/NE/communities/nsemissions.html>.

For more information, contact Brendan McCahill at (617) 918-1652 or by e-mail at McCahill.Brendan@EPA.GOV.