

GOVERNMENT OF PUERTO RICO
PUERTO RICO ELECTRIC POWER AUTHORITY

SAN JUAN, PUERTO RICO

www.prepa.com



GPO BOX 364267
SAN JUAN, PR 00936-4267

October 29, 2010

CERTIFIED MAIL AND VIA FAX

Karen Maples
Regional Hearing Clerk
U. S. Environmental Protection Agency- Region II
290 Broadway, 16th Floor
New York, New York 10007-1866

U.S. ENVIRONMENTAL
PROTECTION AGENCY-REG.II
2010 NOV -2 P 2:17
REGIONAL HEARING
CLERK

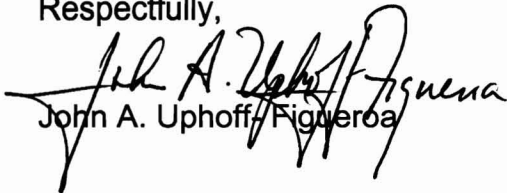
**RE: Puerto Rico Electric Power Authority
San Juan Power Plant
Index No. CAA-02-2010-1235**

Dear Ms. Maples:

Attached you will find the Puerto Rico Electric Power Authority's Answer and Hearing Request (original plus one copy) to the above referenced Complaint.

Should you have any questions or require additional information, please contact me at (787) 521-4195.

Respectfully,


John A. Uphoff-Figueroa

Attachments

cc Francisco E. López García
Angel Luis Rivera Santana

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 2

In the Matter of:
Puerto Rico Electric Power Authority
San Juan Plant
PO Box 363549
San Juan, PR 00936-3549

Respondent

In a Proceeding Under
Section 113 (d) of the Clear Air Act
42 U.S.C & 7413 (d)

ANSWER & REQUEST FOR HEARING

Index No. CAA-02-2010-1235

U.S. ENVIRONMENTAL
PROTECTION AGENCY-REG. II
2010 NOV -2 P 2:17
REGIONAL HEARING
CLERK

TO THE HONORABLE REGIONAL HEARING CLERK:

Now comes Respondent, the Puerto Rico Electric Power Authority, thru its undersigned attorney, and respectfully states and request as follows:

I. FACTUAL ALLEGATIONS

With regard to the findings of facts contained in the Complaint and Notice of Opportunity to Request a Hearing (Index No. CAA-02-2010-1235):

1. Paragraphs 1 thru 15 are identified as statutory, regulatory and permitting background.
2. Paragraphs 16 and 17 are admitted.
3. Paragraphs 18 and 22 are currently denied pending further clarification and Knowledge.
4. Paragraphs 23 thru 28 are admitted.
5. Paragraphs 29 are currently denied pending clarification.
6. Paragraphs 30 thru 32 are admitted.
7. Paragraphs 33 and 34 are denied.
8. PREPA has furnished a constant flow of information regarding the status of the Initial Performance Tests for Unit CT-5 and the reasons that prevented PREPA from completing the Initial Performance Tests. In particular, higher load tests,

pursuant to the eventually approved protocol, were unachievable by Respondent due to the events described in PREPA's claims. Furthermore, if higher load levels or maximum production rates are not achieved at the facility, due to causes beyond PREPA's control or due to safety concerns, PREPA could not start performance tests in compliance with EPA's Revised Final Stack Protocol and applicable regulations.

9. PREPA argues that the Revised Final Stack Protocol is necessary to commence the performance tests. Any Calculation of the Preliminary Deterrence Component of the Proposed Penalty should consider when the protocol was approved in order to start appropriate performance tests.
10. If maximum production rate is not reached at a facility, and 180 days after initial start up have elapsed without reaching maximum production rate (due to the numerous causes presented and discussed with EPA), a timely performance test, in compliance with regulatory requirements (40 CFR 60.8) and protocols is impossible to achieve.

II. REQUEST FOR HEARING


1. PREPA hereby request a hearing pursuant to the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties, Insurance of Compliance or Corrective Action Orders, and Revocation, Termination or Suspension of Permits, 40 CFR Part 22.

III. INFORMAL SETTLEMENT CONFERENCE

1. PREPA has requested an informal settlement conference with the assigned Assistant Regional Counsel, has encourage by EPA's complaint notification letter. PREPA believes settlement is possible in this matter and request a reasonable forty five day time period, to allow the parties involved exploring settlement prior to formal proceedings.

RESPECTFULLY SUBMITTED

In San Juan, Puerto Rico, this 29th day of October, 2010.


John A. Uphoff/Figueroa
Puerto Rico Electric Power Authority
PO Box 364267
San Juan, Puerto Rico 00936-4267
Tel. (787) 521-4195
Fax (787) 521-4085
e-mail: J-uphoff@prepa.com

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 2

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