

Morgantown Energy Associates
555 Beechurst Avenue
Morgantown, West Virginia 26505
304.284.2500 Phone
304.284.2509 Fax



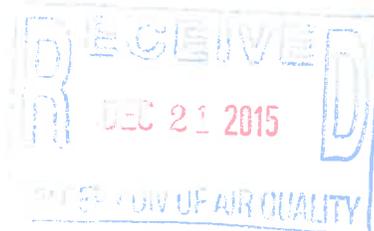
VIA E-MAIL: Edward.S.Andrews@wv.gov

December 18, 2015

Mr. Edward S. Andrews
Engineer – Division of Air Quality
West Virginia Department of Environmental Protection
601 57th Street SE
Charleston, WV 25304

RE: "Permit Application Incomplete" Response
Morgantown Energy Associates

Dear Mr. Andrews:



ID # 061-00027
Reg R14-0007C
Company MEA
Facility MEA Initials ELC

In response to the items in your letter received on December 10, 2015, MEA is providing the following response in regards to the three matters referenced in your letter:

- 1. The business plan or financial performance document that was used in projecting the heat input and capacity of the affected unit for operating 2016 through 2020.**

The requested 2016 thru 2020 financial projections used as the basis of the heat input and capacity in the application calculations is attached to this email. Please note that MEA is submitting this information under a request for Confidential Business Information (CBI).

- 2. Please provide justification for excluding the "emissions that could have been accommodated" in the net emission change in your PSD applicability determination.**

Actual emissions achieved during the look back period were used to calculate the "Excludable Emissions". Therefore, these emissions could have been accommodated during the baseline period and the unit is capable of accommodating them in the future.

The "emissions that could have been accommodated" are identified in the row of the Table shown in Appendix 1 titled "ANNUALIZED SINGLE MONTH". These emissions were calculated using the maximum monthly emissions of each regulated NSR pollutant from the past 5 years ("MONTH (from 5 Year Total Plant Tons Baseline)") and multiplying each by 12 to calculate the maximum emissions that could have

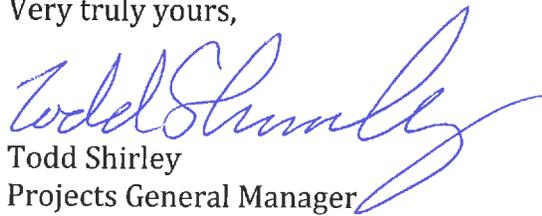
been accommodated in a single year of operation. This is both a realistic and conservative approach in calculating “emissions that could have been accommodated” and reflects actual baseline operating hours of the unit including typical maintenance and outages.

3. The average and range of Fa factors from past 5 operating year.

The average of the Fa factors from the past 5 operating years is 9505. The range of Fa factors from the same period is 9045 – 10121.

If you have any questions or comments about the information provided, please do not hesitate to contact Dan Traynor at (610) 390-3522 or Todd Shirley at (704) 815-8022.

Very truly yours,



Todd Shirley
Projects General Manager

Enclosures

cc: File (w/enclosures)

Sample Cover Document Confidential Information

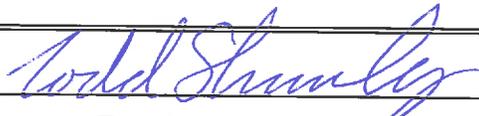
This sample form contains each of the required elements for the cover document required under 45CSR31. The person submitting this form may wish to attach an additional page(s) to provide adequate justification under the "Rationale" section of the form.

Company Name	Morgantown Energy Associates (MEA)	Responsible Official		Mr. Todd Shirley
Company Address	555 Beechurst Ave	Confidential Information Designee in State of WV	Name	Mr. Daryl Miller
	Morgantown, WV		Title	Plant Manager
	26505		Address	555 Beechurst Ave
Person/Title Submitting Confidential Information	Todd Shirley			Morgantown, WV 26505
	Projects General Manager		Phone	304.284.2520
			Fax	304.284.2509

Reason for Submittal of Confidential Information: On December 10, 2015 Mr. Ed Andrews requested that Morgantown Energy Associates provide a business plan of financial document used as the basis of the projections for MEA requested permit modification. Morgantown Energy Associates requests this information be granted CBI protection due to the potential economic harm if this information was provided to MEA customers, competitors and or suppliers. Permit Application No. R14-0007C Plant ID No. 061-00027
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Identification of Confidential Information	Rationale for Confidential Claim	Confidential Treatment Time Period
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Identification of Confidential Information	Rationale for Confidential Claim	Confidential Treatment Time Period
<p>Confidential information include any information related to financial projections including energy and other revenues, commodity and services pricing and MEA financial information.</p>	<p>Provide justification that the criteria set forth in § 45CSR31-4.1.a - e have been met.</p> <p><i>a. Confidentiality of MEA financial projections has not been waived or withdrawn by MEA.</i></p> <p><i>b. MEA protects this data by restricting its access to employees who have a "need to know," and by requiring employees and customers who have access to this information to sign confidentiality agreements.</i></p> <p><i>c. Financial projection data is not reasonably obtainable without MEA's consent by use of legitimate non-discovery means. MEA keeps this information secured on an internal network with restricted access to the data.</i></p> <p><i>d. The data held confidential is not emissions information nor is required to be disclosed by a statute.</i></p> <p><i>e. Financial projections are crucial to MEA's business interests. Disclosure of this information could allow suppliers and or competitors to alter the demand of the commodities used by MEA, potentially altering the price of commodities bought or sold by MEA and would do substantial harm to MEA 's competitive position</i></p>	

Responsible Official Signature:	
Responsible Official Title:	Project General Manager
Date Signed:	December 18, 2015

NOTE: Must be signed and dated in **BLUE INK.**

COMPLETENESS DETERMINATION --
CONFIDENTIAL BUSINESS INFORMATION
(CBI)

		YES	NO
1)	Has each page of CBI been marked “ Claimed Confidential ” and dated?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2)	Is CBI submitted on colored paper? (Only applies to documents the size of 8½” × 14” or less.)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3)	Has applicant submitted a cover document containing the following information:		
A.	Identity of person making submission;	<input checked="" type="checkbox"/>	<input type="checkbox"/>
B.	Reason for submission;	<input checked="" type="checkbox"/>	<input type="checkbox"/>
C.	Name, address in State of West Virginia and telephone number of designee who shall be contacted in accordance with §45CSR31-3.3.b.;	<input checked="" type="checkbox"/>	<input type="checkbox"/>
D.	Identification of each segment of information claimed confidential;	<input checked="" type="checkbox"/>	<input type="checkbox"/>
E.	Period of time confidential treatment desired; and	<input checked="" type="checkbox"/>	<input type="checkbox"/>
F.	Signature of responsible official or an authorized representative.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4)	Has applicant provided justification that the following criteria have been met:		
A.	The claim of confidentiality has not expired by its terms, nor been waived or withdrawn;	<input checked="" type="checkbox"/>	<input type="checkbox"/>
B.	The person asserting the claim of confidentiality has satisfactorily shown that it has taken reasonable measures to protect the confidentiality of the information, and that it intends to continue to take such measures;	<input checked="" type="checkbox"/>	<input type="checkbox"/>
C.	The information claimed confidential is not, and has not been, reasonably obtainable without the person’s consent by other persons (other than governmental bodies) by use of legitimate means (other than discovery based on a showing of special need in a judicial or quasi-judicial proceeding);	<input checked="" type="checkbox"/>	<input type="checkbox"/>
D.	No statute specifically requires disclosure of the information; and	<input checked="" type="checkbox"/>	<input type="checkbox"/>
E.	Either --		
(i)	The person has satisfactorily shown that disclosure of the information is likely to cause substantial harm to the business’s competitive position; or	<input checked="" type="checkbox"/>	<input type="checkbox"/>

YES NO

- (ii) The information is voluntarily submitted information, and its disclosure would be likely to impair the State's ability to obtain necessary information in the future. YES NO
- 5) A. Has applicant submitted CBI in a "redacted" format, i.e., a complete set of the information on white paper with the CBI blacked or whited out and the words "**Redacted Copy - Claim of Confidentiality**" marked on each page which contains confidential information? YES NO
- B. If CBI is included in a drawing or blueprint, has applicant submitted a "redacted" copy with the words "**Redacted Copy - Claim of Confidentiality**" marked on each page and the legend or title of the drawing included on each page? (Redacted copy may be 8½" × 11" in size) YES NO
- 6) Does information claimed CBI include any "emission data"? (See definition of "types and amounts of air pollutants discharged" in §45CSR31 and §45CSR31B and any DAQ guidance). YES NO

If "YES", that information may not be claimed CBI.

NOTE:

If any of the above-required elements has been omitted, notify applicant of omission(s) when informing applicant of the Completeness Determination associated with the permit.

RECOMMENDATION:

Based upon my review of the attached information claimed CBI and after verification that each of the required elements listed above has been included in the information, I believe the applicant has made a credible showing that a trade secret is in jeopardy, and I therefore recommend that the Division of Air Quality treat such information as "Confidential".

SIGNATURE

DATE

If the permit engineer is unable to make the above recommendation, explain below how the submitted information is deficient and notify applicant of such deficiency, giving applicant an opportunity to remedy, or discuss such deficiency with supervisors and counsel.

Morgantown Energy Associates

Financial Projections
(\$ in 000s)

	12/31/16	12/31/17	12/31/18	12/31/19	12/31/20
Months	12	12	12	12	12
Days	366	365	365	365	366
Operations					
Electric Generation (mWh)	415,034	394,190	413,900	413,900	415,034
Capacity Factor - net electrical	94.5%	90.0%	94.5%	94.5%	94.5%
Revenues					
<i>Energy Revenues</i>					
Generation (mWh)	415,034	394,190	413,900	413,900	415,034
Energy Rate (\$/mWh)					
Energy Revenue					
<i>Capacity Revenues</i>					
Generation (mWh)	415,034	394,190	413,900	413,900	415,034
Base Capacity Rate (\$/mWh)					
Fixed O&M Capacity Revenues					
<i>Steam Revenues</i>					
Steam Output (lbs/hr)					
Annual Hours	8,784	8,760	8,760	8,760	8,784
Total Steam Production (klbs)					
Total Steam Revenue					
<i>Beneficial Ash Sales</i>					
Total Beneficial Ash Sales Revenue					
Total Annual Revenues					
Fuel & Consumption Expenses					
<i>Fuel Costs</i>					
Electric Generation (mWh)	415,034	394,190	413,900	413,900	415,034
Steam Equivalent Generation (mWh)					
Total Generation (mWh)					
Blended Heating Value					
Blended Heat Rate					
Total Tons	410,546	392,095	409,542	409,542	410,546
Waste Coal #2 \$s					
<i>Limestone Costs</i>					
Fuel Sulfur Tons					
Tons of Limestone / Tons of Fuel Sulfur					
Tons of Lime Consumed	128,145	122,386	127,832	127,832	128,145
Total Lime Cost					
<i>Ash Expense</i>					
Fuel Cycle Solid tons					
Fuel to Ash Conversn (% of fuel cycle tons)					
Tons of Ash Created					
Total Ash Cost					
<i>Aux Boiler fuel Cost</i>					
Aux Boiler Generated Steam					
MMBtu's/Year					
Total Aux Boiler Cost					
Total Fuel & Consumption Expenses					
Revenues Less Fuel Costs					
Total Heat Input CFBs	6,145,053	5,868,871	6,130,028	6,130,028	6,145,053
Total Heat Input Aux Boilers	87,968	87,968	87,968	87,968	87,968
Total Heat Input	6,233,021	5,956,839	6,217,996	6,217,996	6,233,021
Total Emission Allowances					
Gross Margin					
Fixed & Variable Operating Expenses					
Total Owner Expenses					
Total Operator Expenses					
Major Maintenance Expense					
Total Fixed & Variable Operating Expenses					
Cash After Operating Expenses					
Interest Income					
Debt Service					
EEPA Reserve funding					
CAPEX					
Excess Cash after Debt Service and Other Funding					