

**DEPARTMENT OF ENVIRONMENTAL QUALITY  
DIVISION OF WATER RESOURCES  
FACT SHEET  
NPDES No. NC0003417**

| Facility Information              |   |                  |                              |
|-----------------------------------|---|------------------|------------------------------|
| Applicant/Facility                | Duke Energy Progress, LLC / H.F. Lee Energy Complex |                  |                              |
| Applicant Address:                | 1199 Black Jack Church Road, Goldsboro, NC 27530    |                  |                              |
| Facility Address:                 | 1199 Black Jack Church Road, Goldsboro, NC 27530    |                  |                              |
| Permitted Flow (MGD):             | Outfall 001 - 2.16 MGD                              |                  |                              |
| Type of Waste:                    | Industrial & domestic                               |                  |                              |
| Facility Classification:          | Physical-Chemical Grade 1                           |                  |                              |
| Permit Status:                    | Major Modification                                  |                  |                              |
| County:                           | Wayne   |                  |                              |
| Miscellaneous                     |   |                  |                              |
| Receiving Stream:                 | Neuse River   | State Grid:      | F26NE                        |
| Stream Classification:            | WS-IV; NSW  | USGS Quad:       | NW Goldsboro                 |
| Drainage Area (mi <sup>2</sup> ): | 2,050   | 303(d) Listed?   | No, TMDL is in effect for TN |
| Summer 7Q10 (cfs)                 | 263   | Sub-basin/HUC:   | 030412/03050105              |
| Winter 7Q10 (cfs):                | 260   | Regional Office: | Washington                   |
| 30Q2 (cfs)                        | 375   | Permit Writer:   | Sergei Chernikov             |
| Average Flow (cfs):               | 1,100   | Date:            |                              |
| IWC (%):                          | Outfall 001 - 1.3%                                  | SIC/NAICS code   | 4911 / 2211                  |

**SUMMARY**

This is a Major Modification of the Duke Energy permit for the H. F. Lee Energy Complex in Wayne County. The permit is being modified to make the following changes:

- 1) Add 4 new emergency spillways to the Inactive Ash Basins 1, 2, and 3. The spillways are needed to safely dewater inactive basins during heavy precipitation and/or flooding. New map was added to the permit to depict emergency spillways.
- 2) Remove Outfall 003 from the permit. The outfall has been permitted and constructed but no longer in use and the line was physically severed and capped.
- 3) Increase the combined flow for Outfall 005a and Outfall 005b from 2 MGD to 8 MGD. This change is necessary to address frequent flooding and heavy precipitation events. The flow limit was also changed from Daily Maximum to Monthly average to be consistent with other Duke permits.

**All the remaining terms and conditions of the permit remain unchanged.**

The Lee Combined Cycle Plant consists of 3 combined cycle combustion turbines brought online in 2012. Also, located on the site is the Wayne County Combustion Turbine Plant/Site which consists of 5 simple cycle combustion turbines, four of them brought online in 2000 and the fifth in 2009. Altogether, the five simple cycle combustion turbines and the three combined

cycle combustion turbines generate a total electric capacity of over 1800 Megawatts. All units are capable of firing oil and natural gas.

Previously, the H.F. Lee Energy Complex had three coal-fired units and four oil-fueled combustion turbine units. These were retired in September and October of 2012. The coal-fired generating units and the four oil-fueled combustion turbines have been demolished and the coal pile was recently removed. The decanting of the ash pond water has been completed.

The H.F. Lee Combined Cycle Power Plant has more than twice the capacity of the retired coal plant with significant emissions reductions of carbon dioxide, sulfur dioxides, nitrogen oxides, and mercury.

**TN BACKGROUND:**

While in operation, the coal-fired Steam Electric Plant installed a Rotamix selective catalytic reduction (SCR) system in 2007, in response to air pollution control requirements. This incurred a total nitrogen discharge, and the facility joined the Neuse River Compliance Association (NRCA). The Rotamix selective catalytic reduction (SCR) system used to remove a majority of nitrogen oxides in the Steam Electric Plant was retired in 2012. Even though the facility is currently classified as “non-nutrient bearing”, Duke Energy remains a member of the NRCA and its nitrogen discharge is governed by the Compliance Association’s permit NCC000001.

**RECEIVING WATERS:**

Receiving water is the Neuse River. The Neuse River is a class WS-IV; NSW waterbody in the Neuse River Basin. The facility outfalls are located approximately 8-10 miles upstream of Goldsboro's potable water supply intake.

**TECHNOLOGY BASED EFFLUENT GUIDELINES:**

H.F. Lee is subject to EPA effluent guideline limits per 40 CFR 423 - Steam Electric Power Generating Point Source Category as amended November 3, 2015. The facility is also subject to the Cooling Water Intake Structures Rules (40 CFR 125) effective October 14, 2014 and to the North Carolina Senate Bill 729 - Coal Ash Management Act (CAMA).

**OUTFALL DESCRIPTIONS:****Discharges to Outfall 001 Active Ash basin**

No process wastewater flows are being sent to the active ash basin. The active ash basin is actually not active but is named that on all the maps in the application and sometimes referred to as the 1982 ash basin. Fly ash and bottom ash wastewaters were sent to this basin when the plant used coal-fired units. Ash transport wastewaters and additional wash waters from the precipitator and air pre-heater that were typically sent to the ash basin have all ceased. Wastewaters from the Filter Plant (water treatment), the Wayne County Combustion Turbine Site, low volume wastes, and other miscellaneous wastes that were once directed to the ash basin have all been redirected to Outfall 002 since 2012.

Duke Energy wants to maintain Outfall 001 for decanting the ash basin which would later be followed by dewatering. Within the next year or two after permit issuance, Duke Energy expects to start groundwater remediation on the eastern side of the ash basin. Extracted groundwater

would be treated in the same wastewater treatment system (WTS) as the decant/dewatering wastewaters and discharged through Outfall 001.

No other wastewaters are to be discharged through Outfall 001 to the Neuse River except those treated in the WTS.

*Background on previous IWC used for Outfall 001:* The historical average flow of the Ash Pond wastewaters discharged to Outfall 001 is 2.5 MGD. Outfall 001 did not have a flow limit, and flows varied. The permit issued in 2010 used an Instream Wastewater Concentration (IWC) of 2.1%, which was determined using a discharge flow of 3.58 MGD. This flow value was the 95'th percentile of the maximum daily effluent flow data collected between 2006 and September 2008. In 2010, the Whole Effluent Toxicity Testing concentration was changed to 2.1% from 1.41% used in the 2004 permit.

### **Ash Basin Seeps**

The facility identified 9 seeps (all non-engineered). All nine seeps are located around the active ash basin. Seeps will be addressed through Special Order by consent EMC SOC WQ S18-006.

### **Discharges to Outfall 002 Cooling Pond**

The facility uses an existing 545 acre closed-cycle cooling pond with baffled dikes to treat recirculating condenser cooling and process water. Approximately 369 MGD of condenser cooling water is re-circulated in the pond each day. Eleven MGD are lost to evaporation and seepage. The applications states that 3-5 MGD are lost to natural evaporation during times the units are in full operation. Up to 12.7 MGD can be withdrawn from the Neuse as make-up water. Until recently, the Cooling Pond has not had a direct discharge to the Neuse since 1998 and a discharge is only expected during an extremely heavy rainfall event or a hurricane.

Hurricane Matthew hit North Carolina starting on Oct. 8, 2016 and the Neuse River rose above the berm surrounding the H.F. Lee cooling pond. In an article published by the Charlotte Observer on Oct. 12, 2016, USGS said, the Neuse near Goldsboro peaked at 29.7 feet, breaking the record of 28.8 feet set after Hurricane Floyd in 1999. As the Neuse receded, a 50-foot crack developed in the berm surrounding the cooling pond which holds 1.2 billion gallons. Wastewater flowing through the cracked berm discharged to the Neuse River, there has been no estimate on the total volume discharged at this point.

Rain from Hurricane Florence (September 2018) again caused the Neuse River to rise and enter the cooling pond. The cooling pond discharged through the spillway (Outfall 002) during this storm event.

In addition to the recirculating condenser cooling and process water, other wastewaters sent to the cooling pond include: cooling tower blowdown from the Wet Surface Air Cooler and the combined cycle Heat Recovery Steam Generator (HRSG), Wayne County Combustion Turbine Site wastewaters which pass through a sump lift station, reverse osmosis reject wastewaters from the water treatment plant, and Lee Combined Cycle Plant Site wastewaters which are initially treated with an oil/water separator. Sanitary wastewaters are no longer discharged to the cooling pond. Storm water from containment areas and miscellaneous wastewaters as described in the updated permit renewal application submitted on August 31, 2016 are discharged to the cooling

pond, as well. On occasion wastewaters from the clarifier in the water treatment plant are sent to the cooling pond. Coal pile runoff, which has ceased, and low volume wastewaters regulated under 40 CFR 423, are discharged to the cooling pond.

**Cooling Pond Seeps**

The facility identified 15 unpermitted seeps (all non-engineered). All 15 seeps are located around the cooling pond. Seeps will be addressed through Special Order by Consent EMC SOC WQ S18-006.

**Discharges to Outfall 002 Cooling Pond.**

Outfall 003 was permitted in 2010 in order to prepare for the retirement of the 3 coal-fired units in 2012 and the construction of the natural gas-fired combined cycle generation facility. However, in early 2013 the discharge to Outfall 003 was discontinued after one month due to operational concerns with total suspended solids. Wastewaters were re-routed to the cooling pond from Outfall 003 to accommodate modifications needed to be made to the outfall structure. These modifications were to be conducted after the permit from the US Army Corps of Engineers was secured. Currently no wastewaters are being sent to Outfall 003 which discharges to the Neuse River and Outfall is being eliminated from the permit.

The following waste streams currently discharge to the Cooling Pond (Outfall 002: cooling tower blowdown from the Wet Surface Air Cooler and the combined cycle Heat Recovery Steam Generator (HRSG), Wayne County Combustion Turbine Site wastewaters which pass through a sump lift station, reverse osmosis reject wastewaters from the water treatment plant, Lee Combined Cycle Plant Site wastewaters which are initially treated with an oil/water separator, low volume wastewaters, and equipment and containment drain wastewaters.

**Outfall 002A - additional outfall in cooling pond**

The heavy rains from Hurricane Matthew (October 2016) caused the Neuse River to rise high enough to enter the cooling pond at H.F. Lee through Outfall 002 and by over topping the cooling pond dike. As a result of the severe weather conditions, the dike of the cooling pond breached in the southeast corner of the pond. As a result, the new emergency outfall was added at the site of the breach. The addition of the new emergency outfall allows the facility to avoid a scenario where the pond breaches because of the influx of water from the river. The new Outfall, identified as Outfall 002A in the permit, would only be used in the event of severe weather or required maintenance.

Rain from Hurricane Florence (September 2018) again caused the Neuse River to rise and enter the cooling pond. The cooling pond discharged through the spillway during this storm event. The new emergency outfall was not used.

**COMPLIANCE REVIEW/PROPOSED ACTIONS**

**Outfall 001 - Active Ash Basin**

This outfall is subject to the Effluent Limitations Guidelines (ELG) in Table 1.

Table 1. ELG Outfall 001 (BPT Low volume waste sources)

| Pollutant | Daily Maximum (DM) | Monthly Average (MA) | ELG                           |
|-----------|--------------------|----------------------|-------------------------------|
| TSS       | 100 mg/L           | 30 mg/L              | 40 CFR 423.12 (b) (3) and (4) |

|              |                       |         |                               |
|--------------|-----------------------|---------|-------------------------------|
| Oil & Grease | 20 mg/L               | 15 mg/L | 40 CFR 423.12 (b) (3) and (4) |
| pH           | 6 to 9 SU             |         | 40 CFR 423.12 (b) (1)         |
| PCB's        | No discharge of PCB's |         | 40 CFR 423.12 (b) (2)         |

The facility normally incinerates chemical metal cleaning waste and stated no such wastes have been sent to the 1982 ash basin for disposal.

These Effluent Guidelines are in effect in the current permit and will be maintained for Outfall 001 in the renewal. In 2016, Duke Energy started to decant some wastewaters from the active ash basin but after 3 months, decanting ceased. Upon permit renewal, Duke Energy is planning to begin the Ash Pond decommissioning which will start with decanting followed by dewatering of the active ash basin.

### *Phase 1. Ash Basin Decanting/Normal Operations at Outfall 001:*

To begin decommissioning, bulk and interstitial ash basin water will be decanted from the active ash pond through Outfall 001. If necessary to meet water quality standards, wastewater treatment will be brought onsite to assist in the process. All decant wastewaters would pass through the Wastewater Treatment System (WTS) prior to being discharged through Outfall 001. The WTS will be designed to handle a minimum flow of 500 gpm and a maximum flow of 1500 gpm (2.16 MGD). As stated in the permit renewal, the level of water in the ash pond should not be lowered more than 1 ft/day during the decanting phase.

- DMR review:

Except for the decanting of the active ash basin for 3 months in 2016, there has been no discharge from Outfall 001 since October 2012. The historical average flow from Outfall 001 is 2.5 MGD. DMR data from 2016, 2C data submitted with the November 2012 renewal application, and data from samples of free water located above the settled layer of ash taken on Feb. 15, 2015, were all reviewed. There were no violations of permit limits.

Table 2. 2016 DMR Summary Outfall 001 - Ash Basin Decanting

| Parameter                   | Average | Maximum | Minimum |
|-----------------------------|---------|---------|---------|
| Flow (MGD)                  | 0.52    | 0.81    | 0.026   |
| TSS (mg/L)                  | <5      | 7.6     | < 5     |
| O & G (mg/L)                | < 5     | < 5     | < 5     |
| Nitrite plus Nitrate (mg/L) | 0.012   | 0.02    | 0.01    |
| Arsenic (µg/L)              | 12.9    | 18.4    | 5.95    |
| Selenium (µg/L)             | 10.7    | 15.4    | 10.7    |
| Total Nitrogen (mg/L)       | 0.25    | 0.35    | 0.17    |
| Total Phosphorus (mg/L)     | 0.012   | 0.015   | 0.01    |
| pH (S.U.)                   | 7.8     | 8.7     | 7.1     |

Passed 2 of 2 toxicity tests during three months of decant discharge.

- RPA Outfall 001- Ash Basin Decanting:

The need for toxicant limits is based upon a demonstration of reasonable potential to exceed water quality standards, a statistical evaluation that is conducted during every permit renewal utilizing the most recent effluent data for each outfall. The Reasonable Potential Analysis (RPA)

is conducted in accordance with 40 CFR 122.44 (d) (i). The NC RPA procedure utilizes the following: 1) 95% Confidence Level/95% Probability; 2) assumption of zero background; 3) use of ½ detection limit for “less than” values; and 4) stream flows used for dilution consideration based on 15A NCAC 2B.0206. Effective April 6, 2016, NC began implementation of dissolved metals criteria in the RPA process in accordance with guidance titled *NPDES Implementation of Instream Dissolved Metals Standards*, dated June 10, 2016. This guidance is attached to the fact sheet.

A reasonable potential analysis was performed for arsenic, antimony, barium, cadmium, chlorides, chromium, copper, fluoride, lead, mercury, molybdenum, nickel, selenium, sulfate, thallium, and zinc. A reasonable potential analysis was conducted using the maximum effluent value reported from one of the following sources: 2016 DMR data, Nov. 2012 2C application form, and the Ash basin free water samples submitted to DWR on March 11, 2015. Pollutants of concern for the decant wastewater included toxicants with positive detections and associated water quality standards/criteria. The maximum wastewater treatment plant design flow of 2.16 MGD was used in the RPA along with historical 7Q10 and average flow statistics for the Neuse River. Upstream drainage statistics from the Neuse River near Clayton, provided by USGS on May 15, 2009, supported the use of the historical values.

Based on this analysis, the following permitting actions are proposed for this permit:

- Effluent Limit with Monitoring. The following parameters will receive a water quality-based effluent limit (WQBEL) since they demonstrated a reasonable potential to exceed applicable water quality standards/criteria: None.
  - Monitoring Only. The following parameters will receive a monitor-only requirement since they did not demonstrate reasonable potential to exceed applicable water quality standards/criteria, but the maximum predicted concentration was >50% of the allowable concentration: total selenium.
  - No Limit or Monitoring: The following parameters will not receive a limit or monitoring, since they did not demonstrate reasonable potential to exceed applicable water quality standards/criteria and the maximum predicted concentration was <50% of the allowable concentration: antimony, barium, cadmium, chlorides, chromium, copper, fluoride, lead, molybdenum, nickel, sulfate, thallium, and zinc. Mercury and arsenic did not demonstrate reasonable potential to exceed applicable water quality standards/criteria and the maximum predicted concentration was <50% of the allowable concentration; however, they continue to be pollutants of concern and monitoring for these parameters was maintained in Outfall 001 as discussed below.
  - Summary of new limits added based on RPA: none.
  - Summary of existing limits deleted based on RPA: none.
- **Toxicity Testing:**  
Current Requirement: Outfall 001 - Chronic P/F @ 2.1% using Ceriodaphnia, Quarterly  
Recommended Requirement: Outfall 001- Chronic P/F @ 1.3% using Ceriodaphnia, Monthly  
The new Instream Waste Concentration (IWC) of 1.257%, rounded to 1.3 %, is based on the maximum design flow of 2.16 MGD for the Wastewater Treatment System and the historical summer 7Q10 flow of 263 cfs.
  - **Mercury Evaluation:**

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Four samples were provided on mercury as follows:

November 2012 2C application 2C data - < 200 ng/L

March 2015 active ash basin free water samples: <0.5 ng/L, 1.35 ng/L, <0.5 ng/L

Annual average discharge limitations for mercury at Outfall 001 are based on a Technology Based Effluent Limitation (TBEL) of 47 ng/L and a Water Quality Based Effluent Limitation (WQBEL) of 955 ng/L. The TBEL was established in the 2012 NPDES Mercury TMDL Implementation Strategy and the WQBEL is based on the Water Quality Standard of 12 ng/L divided by the IWC. Data shows Duke Energy can comply with the TBEL during Ash Basin decanting, however, mercury monitoring will be added to the permit since it is a pollutant of concern. No limits are required for mercury.

Table 3. Monitoring Requirements/Proposed Changes Outfall 001 – Ash Basin Decanting

| Parameter                          | Existing Effluent Limit/ Monitoring requirements | Changes            | Basis  |
|------------------------------------|--|--------------------|--|
| Flow                               | Monitor  | 2.16 MGD DM        | 15A NCAC 2B.0505   |
| TSS                                | 30 mg/L MA<br>100 mg/L DM                        | No changes         | 40 CFR 423.12(b)(3) and (4)  |
| Oil & Grease                       | 15 mg/L MA<br>20 mg/L DM                         | No changes         | 40 CFR 423.12(b)(3) and (4)  |
| Total Selenium and Total Arsenic   | Monitor quarterly                                | Weekly monitoring  | Pollutant of concern for ash. Selenium based on RPA.                   |
| Total Mercury                      | No requirement                                   | Weekly Monitoring  | Pollutant of concern for ash.  |
| Total Hardness                     | No requirement                                   | Monthly Monitoring | Collect data for RPA   |
| Turbidity                          | No requirement                                   | Monthly Monitoring | Required by EPA per letter dated Feb. 25, 2009.                        |
| Total Nitrogen<br>Total Phosphorus | Weekly Monitoring                                | Monthly Monitoring | 15A NCAC 2B .0500, Neuse Nutrient Management Strategy, NRCA membership |
| Nitrate/nitrite as N               | Weekly Monitoring                                | Monthly Monitoring | Pollutant of Concern for WS waters                                     |
| pH                                 | 6 to 9 SU  | No changes         | State WQ standards, 15A NCAC 2B .0200 and 40 CFR 423.12 (b) (1)        |
| Chronic Toxicity                   | See condition A. (11.)                           |                    | 15A NCAC 2B.0500   |

***Phase II. Ash Basin Dewatering and Groundwater Remediation at Outfall 001:***

Secondly, to meet the requirements of the Coal Ash Management Act of 2014, the facility will dewater the ash pond by removing the interstitial water in the ash and then excavate the ash to deposit it in approved landfills. After decanting is completed and when water in the ash settling basin is lowered to within three feet of the ash deposits, the Permittee will begin dewatering. As with decanting, wastewater treatment will be provided if needed. Ash Basin dewatering flows, as well as storm water from the WTS pad area, may be treated at the WTS prior to being

discharged through Outfall 001. The facility's discharge rate from the dewatering process is estimated to be 500 gpm to 1500 gpm (2.16 MGD).

Within the first two years after permit issuance, Duke Energy will design an extraction well system to treat contaminated groundwater on the eastern side of the active ash basin. The groundwater will be extracted, pumped to a sump, and treated in the same WTS as the bulk and interstitial ash basin water. The wastewaters will discharge through Outfall 001 to the Neuse River.

The facility submitted data for the standing surface water in the active ash pond, interstitial water in the ash, and interstitial ash water that was treated by filters of various sizes. The facility's estimated discharge rate for the groundwater extraction is 0.9-1.8 MGD. Groundwater monitoring data from wells on the eastern and southeastern side of the active ash basin were reviewed. To introduce a margin of safety the highest measured concentration of a parameter from the active ash basin or the groundwater wells was used in the reasonable potential analysis. The maximum Wastewater Treatment System design flow of 2.16 MGD was used as the permitted flow.

- RPA Outfall 001- Ash Basin Dewatering:

A reasonable potential analysis was performed for arsenic, antimony, barium, cadmium, chlorides, chromium, cobalt, copper, fluoride, lead, mercury, molybdenum, nickel, selenium, sulfate, thallium, total dissolved solids and zinc

Based on this analysis, the following permitting actions are proposed for the dewatering phase:

- Effluent Limit with Monitoring. The following parameters will receive a water quality-based effluent limit (WQBEL) since they demonstrated a reasonable potential to exceed applicable water quality standards/criteria: arsenic.
- Monitoring Only. The following parameters will receive a monitor-only requirement since they did not demonstrate reasonable potential to exceed applicable water quality standards/criteria, but the maximum predicted concentration was >50% of the allowable concentration: none
- No Limit or Monitoring: The following parameters will not receive a limit or monitoring, since they did not demonstrate reasonable potential to exceed applicable water quality standards/criteria and the maximum predicted concentration was <50% of the allowable concentration: antimony, barium, cadmium, chlorides, chromium, cobalt, copper, fluoride, lead, molybdenum, nickel, sulfate, thallium, and zinc. Mercury and selenium did not demonstrate reasonable potential to exceed applicable water quality standards/criteria and the maximum predicted concentration was <50% of the allowable concentration; however, they continue to be pollutants of concern and monitoring for these parameters was maintained in Outfall 001.

Monitoring requirements for Outfall 001 – Ash Pond Dewatering and Groundwater Extraction are the same as Table 3 for most parameters. Arsenic limitations have been added and sampling frequencies were increased to weekly for all parameters except nutrients and toxicity.

***Phase III. Groundwater Remediation:***

Thirdly, after completing the decanting and dewatering of the ash basin groundwater remediation may still be occurring. The groundwater remediation wastewaters will be treated in the WTS prior to being discharged through Outfall 001.

Groundwater extraction will continue at an estimated rate of 0.9-1.8 MGD. To introduce a margin of safety the highest measured concentration of a parameter from the groundwater monitoring wells was used in the reasonable potential analysis.

- **RPA Outfall 001- Groundwater Remediation:**

A reasonable potential analysis was performed for arsenic, cadmium, copper, nickel, selenium, nitrates, thallium, and zinc.

Based on this analysis, the following permitting actions are proposed for the dewatering phase:

- Effluent Limit with Monitoring. The following parameters will receive a water quality-based effluent limit (WQBEL) since they demonstrated a reasonable potential to exceed applicable water quality standards/criteria: none
- Monitoring Only. The following parameters will receive a monitor-only requirement since they did not demonstrate reasonable potential to exceed applicable water quality standards/criteria, but the maximum predicted concentration was >50% of the allowable concentration: none.
- No Limit or Monitoring: The following parameters will not receive a limit or monitoring, since they did not demonstrate reasonable potential to exceed applicable water quality standards/criteria and the maximum predicted concentration was <50% of the allowable concentration: monitoring will be required for parameters of concern even though the maximum predicted was not > 50% (arsenic, cadmium, copper, lead, mercury, barium, and selenium).

Effluent Limits & Monitoring requirements for Outfall 001 - Groundwater Extraction are listed below in Table 4.

Table 4. Effluent Limits & Monitoring Requirements - Proposed discharge to Outfall 001 - Groundwater Remediation:

| <b>Parameter</b> | <b>Effluent Limits</b> | <b>Monitoring requirements</b> | <b>Basis</b>                                 |
|------------------|------------------------|--------------------------------|--|
| Flow             | 1.8 MGD                | Weekly                         | 15A NCAC 2B.0505 and gw treatment max design |
| Total arsenic    | No limit               | Monthly Monitoring             | Pollutant of concern for ash.                |
| Total selenium   | No limit               | Monthly monitoring             | Pollutant of concern for ash.                |
| Total mercury    | No limit               | Monthly monitoring             | Pollutant of concern for ash.                |
| Total cadmium    | No limit               | Monthly monitoring             | Pollutant of concern for ash.                |
| Total copper     | No limit               | Monthly monitoring             | Pollutant of concern for ash.                |
| Total lead       | No limit               | Monthly monitoring             | Pollutant of concern for ash.                |

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|------------------------------------|------------------------|--------------------|--|
| Total barium                       | No limit               | Monthly monitoring | Pollutant of concern for ash.  |
| Total Hardness                     | No limit               | Monthly monitoring | Collect data for RPA   |
| Turbidity                          | No limit               | Monthly monitoring | Required by EPA letter dated Feb. 25, 2009                             |
| Total Nitrogen<br>Total Phosphorus | No limits              | Monthly monitoring | 15A NCAC 2B .0500, Neuse Nutrient Management Strategy, NRCA membership |
| Nitrate/nitrite as N               | No limit               | Monthly monitoring | Pollutant of Concern for WS waters                                     |
| pH                                 | 6 to 9 SU              | 2/Month            | State WQ standards, 15A NCAC 2B .0200 and 40 CFR 423.12 (b) (1)        |
| Chronic Toxicity                   | See condition A. (11.) |                    | 15A NCAC 2B.0500   |

**Outfall 002 and 002A Cooling Pond**

These outfalls are subject to the Effluent Limitations Guidelines (ELG) in Table 5.

Table 5. ELG Outfall 001 (BPT/BAT for Low volume waste sources, cooling tower blowdown, and coal pile runoff apply)

| <b>Pollutant</b>  | <b>Daily Maximum (DM)</b>                         | <b>Monthly Average (MA)</b> | <b>ELG</b>                    |
|---|---|-----------------------------|-------------------------------|
| TSS   | 50 mg/L   | 30 mg/L                     | 40 CFR 423.12 (b) (3) and (9) |
| Oil & Grease  | 20 mg/L   | 15 mg/L                     | 40 CFR 423.12 (b) (3)         |
| pH  | 6 to 9 SU   |                             | 40 CFR 423.12 (b) (1)         |
| PCB's   | No discharge of PCB's                             |                             | 40 CFR 423.12 (b) (2)         |
| Free available chlorine   | 0.5 mg/L  | 0.2 mg/L                    | 40 CFR 423.13 (d) (1)         |
| 126 priority pollutants   | No detectable amount (engineering. calc. allowed) |                             | 40 CFR 423.13 (d) (1)         |
| Total Chromium  | 0.2 mg/L  | 0.2 mg/L                    | 40 CFR 423.13 (d) (1)         |
| Total Zinc  | 1.0 mg/L  | 1.0 mg/L                    | 40 CFR 423.13 (d) (1)         |
| Add footnotes for free chlorine, TRC, and 126 priority pollutants |   |                             | 40 CFR 423.13 (d) (1)         |

The facility normally incinerates chemical metal cleaning waste and stated no such wastes have been sent to the Cooling Pond for disposal.

There has been no discharge from Outfall 002 since 1998. In October of 2016 heavy rain from Hurricane Matthew caused river water to over-top the cooling pond dike and enter the pond through Outfall 002 structure. The cooling pond breached in the southeast corner and Duke Energy is proposing to add a new emergency outfall at the site of the breach. The new Outfall, identified as Outfall 002A in the permit, will only be used in the event of severe weather or required maintenance.

- DMR review:

Results of a process control sample from the sites cooling pond taken in close proximity to Outfall 002 was submitted with an updated 2C form on March 11, 2015. To introduce a margin of safety the maximum reported concentration of a parameter from the 2C application was used in the reasonable potential analysis. There were no violations of permit limits for Outfall 002 during the last five years.

- RPA Outfall 002- Cooling Pond:

A reasonable potential analysis was performed for arsenic, antimony, barium, cadmium, chromium, copper, fluoride, lead, mercury, molybdenum, nickel, selenium, sulfate, thallium, and zinc.

Based on this analysis, the following permitting actions are proposed for the cooling pond:

- Effluent Limit with Monitoring. The following parameters will receive a water quality-based effluent limit (WQBEL) since they demonstrated a reasonable potential to exceed applicable water quality standards/criteria: total molybdenum
- Monitoring Only. The following parameters will receive a monitor-only requirement since they did not demonstrate reasonable potential to exceed applicable water quality standards/criteria, but the maximum predicted concentration was >50% of the allowable concentration: none
- No Limit or Monitoring: The following parameters will not receive a limit or monitoring, since they did not demonstrate reasonable potential to exceed applicable water quality standards/criteria and the maximum predicted concentration was <50% of the allowable concentration: antimony, barium, cadmium, chromium, copper, fluoride, lead, nickel, sulfate, thallium, and zinc. Mercury and arsenic did not demonstrate reasonable potential to exceed applicable water quality standards/criteria and the maximum predicted concentration was <50% of the allowable concentration; however, they continue to be pollutants of concern and monitoring for these parameters was included in Outfall 002 and 002A.

Effluent Limitations and Monitoring requirements for Outfall 002 – Cooling Pond are listed below in Table 6.

- Toxicity Testing:

Current Requirement: Outfall 002 – Acute Episodic Toxicity using Fathead Minnow, 24 hr static test, first five discrete discharge events than annually

Recommended Requirement: Outfall 002 – Acute Episodic Toxicity using Fathead Minnow, 24 hr static test, first five discrete discharge events than annually

In addition to a review of the 2C data for Outfall 002, discharge data from cooling pond seeps was evaluated to assess if other parameters should be monitored at Outfall 002. A review of the cooling pond seep data showed significant levels of arsenic, lead, mercury and fluoride. However, antimony, cadmium, and selenium were tested at levels below detection for all cooling pond seeps. Based on the RPA evaluation of the cooling pond seep data and the limited effluent data for Outfall 002, monitoring for arsenic, lead, mercury and fluoride were added to Outfall 002.

Table 6. Monitoring Requirements/ Proposed Changes Outfall 002 – Cooling Pond

| Parameter                          | Existing Effluent limits/Monitoring requirements | Changes   | Basis   |
|------------------------------------|--|---|---|
| Flow                               | Monitor each event                               | No changes  | 15A NCAC 2B.0505  |
| TSS                                | 30 mg/L MA<br>100 mg/L DM                        | Daily maximum for TSS changed to 50 mg/L                        | MA - 40 CFR 423.12(b)(4)<br>DM - 40 CFR 423 (b) (9) coal pile runoff was discharged to the cooling pond until recently. |
| Oil & Grease                       | 15 mg/L MA<br>20 mg/L DM                         | No changes  | 40 CFR 423.12(b)(4)   |
| Temperature                        | 32.0 °C  | No changes  | State WQ standards, 15A NCAC 2B .0200   |
| Total chromium                     | No requirement                                   | Added limits and monitoring<br>0.2 mg/L MA<br>0.2 mg/L DM       | 40 CFR 423.13 (d)(1)  |
| Total zinc                         | No requirement                                   | Added limits and monitoring<br>1.0 mg/L MA<br>1.0 mg/L DM       | 40 CFR 423.13 (d)(1)  |
| Total iron                         | Monitor  | Eliminate monitoring  | State standard removed  |
| Total molybdenum                   | No requirement                                   | Added limits and monitoring<br>13,734 µg/L MA<br>13,734 µg/L DM | Reasonable potential to exceed water quality criteria.  |
| Total arsenic                      | Monitor  | No changes  | Pollutant of concern for ash and cooling pond seep discharge  |
| Total lead, mercury, and fluoride. | No requirement                                   | Added event monitoring  | Pollutants of concern for ash and cooling pond seep discharge   |
| Total Hardness                     | No requirement                                   | Added event monitoring  | Collect data for RPA  |
| Total Residual Chlorine            | No requirement                                   | Added limit and monitoring<br>28.0 µg/L DM                      | State WQ standards, 15A NCAC 2B .0200   |
| Free Chlorine                      | No requirement                                   | Added limits and monitoring<br>0.2 mg/L MA<br>0.5 mg/L DM       | 40 CFR 423.13 (d) (1) and footnotes 40 CFR 423.13 (d) (2) and (3)   |
| pH                                 | 6 to 9 SU  | No changes  | State WQ standards, 15A NCAC 2B .0200   |
| Acute Toxicity                     | See condition A. (12.)                           |   | 15A NCAC 2B.0500  |

Outfall 002A was given the same Effluent Limitations and Monitoring Requirements as Outfall 002. Duke Energy submitted three analytical test analysis (full effluent pollutant scans) from the discharge at the cooling pond breach in October 2016. The analysis reported most parameters as non-detectable and detected samples were all less than water quality standards/criteria.

- RPA Outfall 005a and Outfall 005b – Inactive Ash Basins Dewatering:  
The need for toxicant limits is based upon a demonstration of reasonable potential to exceed water quality standards, a statistical evaluation that is conducted during every permit renewal utilizing the most recent effluent data for each outfall. The Reasonable Potential Analysis (RPA) is conducted in accordance with 40 CFR 122.44 (d) (i). The NC RPA procedure utilizes the following: 1) 95% Confidence Level/95% Probability; 2) assumption of zero background; 3) use of ½ detection limit for “less than” values; and 4) stream flows used for dilution consideration based on 15A NCAC 2B.0206. Effective April 6, 2016, NC began implementation of dissolved metals criteria in the RPA process in accordance with guidance titled *NPDES Implementation of Instream Dissolved Metals Standards*, dated June 10, 2016. This guidance is attached to the fact sheet.

A reasonable potential analysis was performed for arsenic, antimony, cadmium, chromium, copper, lead, mercury, nickel, selenium, thallium, and zinc. A reasonable potential analysis was conducted using the maximum effluent value reported from the Major Modification Application. The maximum wastewater pump capacity of 8.0 MGD was used in the RPA along with historical 7Q10 and average flow statistics for the Neuse River. Upstream drainage statistics from the Neuse River near Clayton, provided by USGS on May 15, 2009, supported the use of the historical values.

Based on this analysis, the following permitting actions are proposed for this permit:

- Effluent Limit with Monitoring. The following parameters will receive a water quality-based effluent limit (WQBEL) since they demonstrated a reasonable potential to exceed applicable water quality standards/criteria: Mercury, the TBEL of 47.0 ng/L was applied in accordance with the Statewide Mercury TMDL implementation strategy; and Total Selenium.
  - Monitoring Only. The following parameters will receive a monitor-only requirement since they did not demonstrate reasonable potential to exceed applicable water quality standards/criteria, but the maximum predicted concentration was >50% of the allowable concentration: Total arsenic (monitoring for both parameters is recommended based on the state procedure for coal-fired power plants), Total Antimony, and Total Thallium.
  - No Limit or Monitoring: The following parameters will not receive a limit or monitoring, since they did not demonstrate reasonable potential to exceed applicable water quality standards/criteria and the maximum predicted concentration was <50% of the allowable concentration: Total Cadmium, Total Chromium, Total Copper, Total Lead, Total Nickel, and Total Zinc.
- Toxicity Testing:  
Recommended Requirement: Outfall 005a and Outfall 005b Chronic P/F @ 4.5% using Ceriodaphnia, Monthly.

The new Instream Waste Concentration (IWC) of 4.5% is based on the maximum pump capacity of 8.0 MGD and the historical summer 7Q10 flow of 263 cfs.

Table 7. Monitoring Requirements Outfalls 005a and 005b Inactive Ash Basins Dewatering

| Parameter                          | Existing Effluent Limit / Monitoring requirements | Basis  |
|------------------------------------|---|--|
| Flow                               | 8.0 MGD DM <i>for both outfalls</i>               | 15A NCAC 2B.0505   |
| TSS                                | 30 mg/L MA<br>100 mg/L DM                         | 40 CFR 423.12(b)(3) and (4)  |
| Oil & Grease                       | 15 mg/L MA<br>20 mg/L DM                          | 40 CFR 423.12(b)(3) and (4)  |
| Total Selenium                     | 111.0 µg/L MA<br>1,019.0 µg/L DM                  | Based on RPA   |
| Total Antimony                     | Monthly Monitoring                                | Based on RPA   |
| Total Thallium                     | Monthly Monitoring                                | Based on RPA   |
| Total Arsenic                      | Weekly monitoring                                 | Pollutant of concern for ash.  |
| Total Mercury                      | TBEL of 47.0 ng/L and<br>Weekly Monitoring        | Based on RPA and Mercury TMDL implementation strategy                  |
| Total Hardness                     | Weekly Monitoring                                 | Collect data for RPA   |
| Turbidity                          | Weekly Monitoring                                 | Required by EPA per letter dated Feb. 25, 2009.                        |
| Total Nitrogen<br>Total Phosphorus | Monthly Monitoring                                | 15A NCAC 2B .0500, Neuse Nutrient Management Strategy, NRCA membership |
| Nitrate/nitrite as N               | Monthly Monitoring                                | Pollutant of Concern for WS waters                                     |
| pH                                 | 6 to 9 SU   | State WQ standards, 15A NCAC 2B .0200 and 40 CFR 423.12 (b) (1)        |
| Chronic Toxicity                   | Monthly Monitoring                                | 15A NCAC 2B.0500   |

### Seep outfalls from the Active Ash Basin:

The Division identified 9 non-engineered discharges from 19 seeps located around the ash settling basins. Seeps will be addressed through Special Order by consent EMC SOC WQ S18-006.

### **Outfall 004- Beneficiation Plant**

A new outfall for the discharge of the ash beneficiation facility is being added to the permit. The facility will install a coal ash beneficiation system for ash reuse. The excavated ash will be re-burned to remove carbon to make the material usable for reuse as a product in cement. Pondered ash will be taken out of the ash basin and placed in an enclosed load-out area before its used in the beneficiation unit. Wastewaters generated include truck wash water, waste water for dust suppression and stormwater that comes in contact with the ash. Wastewaters will be collected in a holding basin and treated in an oil/water separator. Flow is expected to be less than 0.005

MGD. Duke Energy is requesting the option to discharge to the Neuse River or to the cooling pond.

To provide a wastewater characterization Duke Energy submitted data from a similar facility in operation at another site. These data were used to complete an RPA.

A reasonable potential analysis was performed for arsenic, antimony, barium, cadmium, chromium, copper, chlorides, TDS, lead, mercury, nickel, selenium, sulfate, thallium, and zinc. Based on this analysis, the following permitting actions are proposed for Outfall 003:

- Effluent Limit with Monitoring. The following parameters will receive a water quality-based effluent limit (WQBEL) since they demonstrated a reasonable potential to exceed applicable water quality standards/criteria: Mercury.
- Monitoring Only. The following parameters will receive a monitor-only requirement since they did not demonstrate reasonable potential to exceed applicable water quality standards/criteria, but the maximum predicted concentration was >50% of the allowable concentration: none.
- No Limit or Monitoring: The following parameters will not receive a limit or monitoring, since they did not demonstrate reasonable potential to exceed applicable water quality standards/criteria and the maximum predicted concentration was <50% of the allowable concentration: arsenic, antimony, barium, cadmium, chromium, copper, chlorides, TDS, lead, mercury, nickel, selenium, sulfate, thallium, and zinc did not demonstrate reasonable potential to exceed applicable water quality standards/criteria and the maximum predicted concentration was <50% of the allowable concentration; however, they continue to be pollutants of concern and monitoring for these parameters was included in Outfall 004 for reasons discussed in Table 9., below.

Table 8. Monitoring Requirements Proposed Beneficiation Plant

| <i>Parameter</i>  | <i>Limits/Monitoring requirements</i> | <i>Basis</i>  |
|---|---------------------------------------|---|
| Flow  | Monitor                               | 15A NCAC 2B.0505  |
| pH  | 6 to 9 S.U.                           | State WQ standards, 15A NCAC 2B .0200 and 40 CFR 423.12(b)(1)   |
| TSS   | 30 mg/L MA<br>100 mg/L DM             | 40 CFR 423.12(b)(3)   |
| Oil & Grease  | 15 mg/L MA<br>20 mg/L DM              | 40 CFR 423.12(b)(3)   |
| Total Dissolved Solids, Total hardness, chlorides, sulfates, arsenic, selenium, copper, lead, nickel, thallium, and zinc. | Monitor                               | Parameters of concern   |
| Total Mercury   | 47 ng/L annual average limit          | Mercury was detected at 47 ng/L in the effluent to the beneficiation plant used as wastewater characterization. |
| Acute Toxicity  | Monthly Monitoring                    | 15A NCAC 2B .0500   |

**316(b) REQUIREMENTS:**

The site utilizes a 545 acre off-stream closed cycle cooling pond for condenser cooling and process water. Water is withdrawn from the Neuse River to make up losses from the cooling pond. Volume withdrawn is approximately 12 MGD. The permittee shall comply with the Cooling Water Intake Structure Rule per 40 CFR 125.95. The permittee shall submit all the materials required by the Rule 3.5 years from the permit effective date.

The rule requires the Director to establish interim BTA requirements in the permit on a site-specific basis based on the Director's best professional judgment in accordance with §125.90(b) and 40 CFR 401.14. The existing closed-cycle system at HF Lee is one of the pre-approved compliance alternatives for impingement in accordance with §125.94(c)(1). EPA also considered it as a pre-approved BTA for entrainment, but excluded it from the rule due to the cost concerns. Based on this information the DEQ has determined that the existing closed-cycle cooling system meets the requirements for an interim BTA.

**INSTREAM MONITORING:**

The permit requires upstream and downstream, monthly instream monitoring (upstream of Outfall 002 - on Ferry Bridge Road, and downstream of Outfall 003 - at Stevens Mill Road bridge) for total arsenic, total selenium, total mercury (method 1631E), total chromium, dissolved lead, dissolved cadmium, dissolved copper, dissolved zinc, bromide, total hardness, and total dissolved solids (TDS). In addition, the permit requires fish tissue annual monitoring for arsenic, selenium and mercury.

**SUMMARY OF PROPOSED CHANGES**

- 1) Four new emergency spillways have been added to the Inactive Ash Basins 1, 2, and 3. A new map was added to the permit to depict emergency spillways.
- 2) Outfall 003 was removed from the permit.
- 3) The combined flow limit for Outfall 005a and Outfall 005b have been increased from 2 MGD to 8 MGD. The flow limit was also changed from Daily Maximum to Monthly average to be consistent with other Duke permits.
- 4) The Water Quality Based Effluent Limits for Total Selenium were added to the permit (Outfall 005a and Outfall 005b) based on the results of the RPA.
- 5) Monthly Monitoring for Total Antimony and Total Thallium was added to the permit (Outfall 005a and Outfall 005b) based on the results of the RPA.

**State Contact Information**

If you have any questions on any of the above information or on the attached permit, please contact Sergei Chernikov at (919) 707-3606, or [sergei.chernikov@ncdenr.gov](mailto:sergei.chernikov@ncdenr.gov).