

In the Matter of The Dayton Power and Light) Case No. 13-870-EL-ECP
Company's Environmental Control Plan.)
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Pursuant to section 4901:1-41-03 of the Ohio Administrative Code, The Dayton Power and Light Company hereby submits the attached Environmental Control Plan, addressing current conditions, goals, and potential actions for resource planning or environmental compliance.

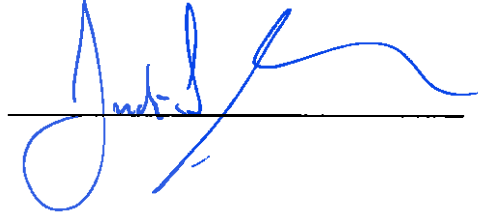
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Company**

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing has been served via Federal Express, postage prepaid, this 15th day of April, 2013 upon the following:

Scott J. Nally, Director
Ohio Environmental Protection Agency
50 West Town Street, Suite 700
Columbus, OH 43215



The Dayton Power and Light Company

Environmental Control Plan Report

April 15, 2013

Pursuant to Ohio Administrative Code (OAC) Section 4901:1-41-03, the Dayton Power and Light Company (DP&L or the Company) hereby submits its Environmental Control Plan Report. DP&L is an electric distribution utility as defined by Ohio Revised Code (ORC) Section 4928.01(A)(6) and a public utility as defined by OAC Section 4901:1-41-01(F). The purpose of this Report is to provide the Public Utilities Commission of Ohio (PUCO), a status update on the Company's resource planning and environmental compliance activities.

4901:1-41-03 (A) The Climate Registry

DP&L became a participating member of The Climate Registry in December of 2009. The Company tracks greenhouse gas emissions and provides a report to The Climate Registry in accordance with the Climate Registry's protocols.

On November 19, 2012, DP&L filed its application requesting that the Commission grant DP&L a waiver of the requirements of Rule 4901:1-41-03(A), O.A.C., and allow DP&L to satisfy the reporting requirements through compliance with the Federal GHG Rule. On December 12, 2012, the Commission found that a waiver of Rule 4901:1-41-03(A), O.A.C. is reasonable and should be granted, with the provision that copies of the Federal GHG reports be docketed with the Commission. PUCO Case No. 12-3026-EL-WVR. DP&L is filing copies of emission reports from the federal EPA reporting system contemporaneously with this plan under Case No. 13-871-EL-ECP.

4901:1-41-03 (B)&(C) Environmental Control Plan, Including Carbon Dioxide Control Planning

DP&L has lengthy and detailed Title V Air Permits for each generating station it owns and operates. These permits contain all applicable requirements associated with air emissions.

Their provisions are verifiable and compliance with these documents is the core of the DP&L environmental control plans (air) for the foreseeable future.

DP&L has lengthy and detailed National Pollutant Discharge Elimination System (NPDES) Water Permits for each station owned or operated. These permits contain the applicable requirements associated with water discharges. Their provisions are verifiable and compliance with these documents is the core of the DP&L environmental control plans (water) for the foreseeable future.

Each of DP&L's electric generating units (other than the solar facility) combusts fossil fuels and emits carbon dioxide. Currently the DP&L share of carbon dioxide emissions is approximately 14 million tons per year. There are currently no Ohio or Federal regulations requiring reductions in CO₂ or other greenhouse gas emissions for existing sources. However, DP&L is closely following many aspects of this broad issue.

DP&L is currently implementing certain programs and taking actions that will have positive effects on the amount of emissions relative to electric service requirements of customers:

- DP&L engaged in test burns during 2009 and 2010 regarding the feasibility of co-firing coal-fired units with biomass. DP&L has since obtained from Ohio EPA air permits to install (PTIs) to transport, handle, store, and combust clean cellulosic biomass at the Killen Station. DP&L has also obtained an air PTI authorizing the use of biodiesel fuel in oil-fired units at the Killen Station.
- DP&L continues to successfully operate a 1.1 MW solar array that became operational March 24, 2010.

- DP&L has implemented extensive energy efficiency and demand response programs that will reduce the demand for electricity and should therefore over time, reduce the level of CO₂ and other GHG emissions per customer served.

In addition, DP&L's Environmental Control Plan includes a close monitoring of the development of significant environmental regulations, and the impact of those regulations on DP&L's efforts to enhance environmental controls and to reduce carbon dioxide emissions. DP&L is an active member of the Electric Power Research Institute (EPRI) and participates in river studies, renewable energy research, and cost-effective approaches for reducing NO_x, SO₂, and mercury emissions. Specifically, DP&L is monitoring the following proceedings:

Mercury Emission Regulations

The USEPA released the proposed Maximum Available Control Technology (MACT) standards for coal and oil fired electric generating units on March 16, 2011. The final rule was published in the Federal Register on March 16, 2012, and has an effective date of April 16, 2012. The final MACT standard (now called MATS – Mercury and Air Toxics Standard) regulates the emissions of mercury, certain non-mercury metallic toxic pollutants, acid gases, and organic air toxics including dioxin. DP&L has until April 16, 2015 to come into compliance with the new requirements, with the option to request an additional year, if required for construction. DP&L has reviewed the final regulations to determine the impact of the standards on existing plants. DP&L is unable to precisely determine the overall impact of MATS. We believe that the Stuart and Killen Stations will be able to meet the final limits. The requirements imposed on Beckjord Unit 6 and Hutchings Station are very costly.

Nitrogen Oxide and Sulfur Dioxide Emission Regulations

On December 17, 2003, the USEPA proposed the Interstate Air Quality Rule (IAQR) to reduce and permanently cap SO₂ and NO_x emissions from electric utilities. The proposed rule focused on states, including Ohio, whose power plant emissions were believed to be significantly contributing to fine particle and ozone pollution in downwind states in the eastern United States. The IAQR was renamed the Clean Air Interstate Rule (CAIR) on June 10, 2004 and was finalized by USEPA on March 10, 2005. CAIR created interstate trading programs for annual nitrogen oxide (NO_x) emission allowances and made modifications to an existing trading program for sulfur dioxide (SO₂) that were to take effect in 2010. On July 11, 2008, the United States Court of Appeals for the District of Columbia Circuit issued a decision that struck down the USEPA's CAIR and its associated Federal Implementation Plan. The Court's decision, in part, invalidated the new NO_x annual emission allowance trading program and the modifications to the SO₂ emission trading program. The USEPA and a group representing utilities filed a request on September 24, 2008 for a rehearing that permits CAIR to remain in effect until the USEPA issues new regulations that would conform to the Court's July 11, 2008 decision. On December 23, 2008, the U.S. Court of Appeals issued an order on reconsideration that permits CAIR to remain in effect until the USEPA issues new regulations that conform to the Court's July 11, 2008 decision. In 2011 USEPA finalized a multi-state trading program entitled Cross State Air Pollution Rule (CSAPR) that lowered the "caps" on SO₂ and NO_x emissions in Ohio. In December of 2011 this new rule was stayed by the courts. Once again CAIR is the SO₂ and NO_x trading program under which DP&L operates in 2013. Some observers predict that 2014 will be the first year of the CSAPR program. DP&L is prepared to operate under either trading program.

Greenhouse Gas Emission Regulations

In response to a U.S. Supreme Court decision that the USEPA has the authority to regulate CO₂ emissions from motor vehicles, the USEPA made a finding that CO₂ and certain other gases are pollutants under the CAA. In April 2009, the USEPA issued a proposed endangerment finding under the CAA. The proposed finding determined that CO₂ and other Greenhouse Gases (GHGs) from motor vehicles threaten the health and welfare of future generations by contributing to climate change. This finding was finalized in December 2009 and became effective in January of 2010. On April 1, 2010, USEPA signed the “Light Duty Vehicle Greenhouse Gas Emission Standards and Corporate Average Fuel Economy Standards” rule, which renders GHGs as “regulated air pollutants” under the CAA. As a result of this action, beginning January 1, 2011, coal-fired power plants and other combustion sources became subject to various permitting programs. In June 2009, the U.S. House of Representatives passed H.R. 2454, the American Clean Energy and Security Act (ACES). This proposed legislation, which targeted a reduction in the emission of GHGs from large sources by 80% in 2050 through an economy-wide cap and trade program, was not enacted. Future GHG legislation would likely have a significant effect on DP&L’s operations. However, due to the uncertainty associated with such proposed legislation, it is difficult to predict the final outcome of this legislation and the impact it may have on DP&L.

Addressing Uncertainty

The above information indicates that the federal government is pursuing multiple initiatives over the next several years to reduce utility air emissions of NO_x, SO₂, CO₂, and hazardous air pollutants, including mercury. Fortunately, DP&L has invested heavily in modern air pollution control systems. The Selective Catalytic Reduction (SCR) and Flue Gas Desulfurization (FGD) systems at the Stuart and Killen stations are well suited for future NO_x

and SO₂ obligations. We anticipate that the FGD scrubbers in conjunction with SCR operation will likely meet the mercury, toxic metals, and acid gas removal obligations found in the Mercury and Air Toxics Standard without the installation of additional control technology.

CONCLUSION

DP&L has had active air, water, and waste control programs for over 25 years that have successfully minimized the environmental effects of conventional pollutants.

DP&L is actively addressing the provisions of S.B. 221, which have the potential to reduce carbon dioxide emissions. DP&L continues to monitor federal and state laws, as well as, technological advances and will implement carbon dioxide reduction strategies that are viable and prudent.

This foregoing document was electronically filed with the Public Utilities

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Case No(s). 13-0870-EL-ECP

Summary: Application In the matter of The Dayton Power and Light Company's Environmental Control Plan electronically filed by Eric R Brown on behalf of The Dayton Power and Light Company