

Response to Comments Regarding Draft Air Operating Permit EFSEC/06-01-AOP Rev. 2 Chehalis Generation Facility

Background. The Energy Facility Site Evaluation Council issued draft Air Operating Permit EFSEC/06-01-AOP Rev. 2 for the Chehalis Generation Facility on August 25, 2016. The draft Air Operating Permit was issued in response to a Title V renewal application submitted by Pacificorp in accordance with the deadline contained in Air Operating Permit EFSEC/06-01-AOP Rev. 1.

During the public comment period one comment letter was received from Mr. Geoffrey Glass of EPA Region 10 via electronic mail. Mr. Glass's message is reproduced below with EFSEC's comment responses interspersed within the message in *red italics*.

From: Glass, Geoffrey [<mailto:GLASS.GEOFFREY@EPA.GOV>]

Sent: Thursday, September 22, 2016 9:12 AM

To: EFSEC (UTC) <EFSEC@utc.wa.gov>; LaSpina, Jim (UTC) <jlaspina@utc.wa.gov>

Cc: Hardesty, Doug <Hardesty.Doug@epa.gov>; Dossett, Donald <Dossett.Donald@epa.gov>

Subject: Comments on Chehalis Generation Facility AOP

Jim:

Thank you for emailing the draft version of the AOP for the Chehalis Generating Facility to Region 10 for review. This has advantages for you and for us because we can work more collaboratively on draft permits than we can on proposed permits. I would like to take this opportunity to make a few comments on the draft permit.

Feel free to contact me directly if you would like to discuss any of these (or other) issues informally before drafting your responses or if you would like to set up a call with me and Doug, who has recently been promoted to Air Permit Program Lead.

1. On page 29 of the AOP, the permit states that the emission limits for NO_x and CO that apply to the turbines are exempt from CAM because "40 CFR 64.2(b)(iv) exempts these emission limitations from the requirements of Part 64 because the permittee is already required to utilize CEMS to measure concentrations and emission rates of these pollutants."

The correct citation should be 40 CFR 64.2(b)(vi), which states that CAM does not apply to "emission limitations or standards for which a part 70 or 71 permit specifies a continuous compliance determination method, as defined in §64.1." A continuous compliance determination method is defined as a method "which is used to determine compliance with an emission limitation or standard on a continuous basis, consistent with the averaging period established for the emission limitation or standard; and provides data either in units of the standard or correlated directly with the compliance limit."

Although the permit does require CEMS, the discussion of CAM applicability on page 29 does not explain how these systems meet the definition of a continuous compliance determination method.

Please demonstrate how the CEMS and DAS required by the permit can be used to demonstrate compliance with all the NO_x and CO limits that apply to the turbines on a continuous basis, consistent with the averaging periods established by the limits and provide data either in the units of or correlated directly with the compliance limit. The demonstration must assure the validity of all data measured to determine compliance with each standard and shall explain how the DAS accounts for hours with missing data.

Response: As you noted, the citation should be 40 CFR 64.2(b)(vi) rather than 40 CFR 64.2(b)(iv). However, in light of your comments/questions regarding how the CEMS meet the design criteria of 40 CFR 64, this reference will be replaced with the more detailed discussion below:

"The NO_x and CO CEMS meet the monitoring design criteria of 40 CFR 64.3(d). NO_x emission limits for the turbines are expressed in ppmvd @ 15% O₂ (1-hour average), lb/day and tons per 12-month period. CO emission limits for the turbines are expressed in ppmvd @ 15% O₂ (1-hour average) and lb/hr. The required CEMS provide CO, NO_x, and O₂ concentrations continuously (which is defined as at least one cycle of measurement every 15 minutes), which allows calculation of the hourly average NO_x and CO concentrations for each hour. In addition, the permittee is required to continuously monitor fuel consumption in accordance with 40 CFR 75 to allow the calculation of pollutant mass emission rates. In accordance with requirement M5, the permittee is required to collect NO_x and CO emission data in the units of the emissions standards. In accordance with requirement K2, the permittee is required to keep records of NO_x and CO emission data in units of the emission limitations. In accordance with requirement R3, the permittee is required to report NO_x and CO emissions in units of the emission limitations.

Missing data substitution is not used for evaluating compliance with the short term NO_x and CO limits and there are no long-term CO emission limits. In accordance with requirement M5, procedures from 40 CFR 75 apply to the NO_x CEMS, and procedures from 40 CFR 60 apply to the CO CEMS. In accordance with 40 CFR 75, data substitution is used for determining compliance with the long-term NO_x limit unless there is other credible evidence (see Permit Provision P1) indicating compliance."

In addition, your comment has revealed that the additional CEMS requirements of WAC 173-400-105(7) were not included in the Air Operating Permit. This rule became applicable to the CO and NH₃ CEMS at this facility when EFSEC adopted the rule effective August 27, 2015 and requires 95% data availability. The requirements from WAC 173-400-105(7) have been incorporated into the proposed Air Operating Permit in response to your comment.

If such a demonstration is not possible, a CAM analysis is required, pursuant to part 64.

2. According to 40 CFR 70.6(b)(2) and WAC 173-401-625(2), the permitting authority may include permit terms that are not federally enforceable provided that they are specifically designated as not federally enforceable (or as "State only") conditions. This can assist the permittee by including all requirements, including state and local requirements in a single document. There are several conditions in the permit based on State regulations that are not in the SIP and, therefore, not federally enforceable. For example: Permit Condition G15, Reporting of Emissions of Greenhouse Gases, is not federally enforceable, but is not identified as such in the permit. In the next table, starting on page 4, some underlying requirements are labeled as being "State Only"; some are identified as "SIP Only"; and some are unlabeled. It appears that some of the labeling, or lack thereof, is incorrect. For example: Req-4, which requires good practices to reduce odors, is not a SIP requirement, but it is not labeled as "State Only."

Response: You are correct, conditions Req-4 and M15 should be labeled "State Only". This oversight will be corrected. As described in P6 of the permit, only those requirements designated as "state only" or "local only" are not federally enforceable.

The label "SIP Only" is unclear. A requirement that is in the SIP can be enforced by the State, the federal government, or any citizen. Furthermore, part 70 and Chapter 401 require the permitting authority to specifically designate those permit terms and conditions that are not federally enforceable, not the underlying requirements that are not federally enforceable, though this is allowed. Furthermore, any permit term or condition that streamlines or inextricably combines multiple underlying requirements is federally enforceable if at least one of the underlying requirements is federally enforceable.

Response: "SIP Only" refers to a regulation that only resides in the SIP-approved version of a rules. Most often this occurs due to renumbering of a regulation. To assure that that the reader can cross-reference all legal authorities for the requirement, both the "SIP-Only" and "State Only" regulation citations were provided. As you noted, any requirement which has a "SIP Only" regulatory basis is federally enforceable.

Please review the terms and conditions of the permit and ensure that federally enforceable and non-federally enforceable conditions are properly identified and labeled.

Response: A review of the permit revealed additional underlying requirements in the "General Terms and Conditions" section that must be labeled "State Only". These underlying requirements were found in "General Terms and Conditions" G10, G11, G12, and G13.

3. According to the Statement of Basis, subparts Dc and GG and the General Provisions of 40 CFR part 60 apply to the source. However, it is not clear that all the applicable requirements from part 60 have been incorporated into the permit. For example, there is no monitoring or testing condition associated with the NO_x limit that applies to the combustion turbines that cites subpart GG as its basis; there are no recordkeeping or reporting conditions that cite part 60 as a basis for the requirement; and there are very few permit conditions that cite the General Provisions of part 60.

Response: To the agency's knowledge, all applicable requirements from Subpart Dc and GG have been included in the permit. With respect to 40 CFR 60 Subpart GG NO_x monitoring, the only NO_x monitoring requirement in Subpart GG applicable to the turbines at this facility is an initial performance test that was completed in August 2003. Completion of this one-time performance testing is documented in Section V "Explanation of Obsolete and Future Requirements" of the Basis Statement.

The only initial requirements under Subpart Dc for the natural gas fired boiler are initial notifications completed in 2011. The notification dates have been added to Section "Explanation of Obsolete and Future Requirements" of the Basis Statement for future reference.

The only on-going requirement for natural gas fired boilers under Subpart Dc is monthly natural gas consumption logging found in 40 CFR 60.48c(d). This requirement is contained in Monitoring Requirement M7 of the Air Operating Permit.

Please check to ensure that all applicable requirements from part 60 have been included in the permit and document their inclusion in the SoB. We recommend including tables in the SoB that cross-reference underlying applicable requirements in the CFR to conditions in the permit.

Response: The agency agrees that creating a cross-referencing table or other tool for confirming that all applicable requirements are included in an Air Operating Permit can be useful. However, in this instance the regulations being reviewed were relatively straightforward and contain few requirements so no such review tool was created.

4. We appreciate that the SoB includes a section on permitting history. However, we recommend enhancing the discussion of PSD applicability in the SoB to specifically detail those emission units and pollutants that have undergone PSD review. Although this may be clear now, it will benefit future generations of permit writers to have a clear understanding of the types of changes that will require PSD applicability review.

Response: The following PSD discussion will be added to the section V(1) where the permitting history is discussed:

"Prevention of Significant Deterioration (PSD) review was conducted for initial installation of Combustion Turbines #1 and #2 resulting in issuance of EFSEC/95-02 on June 18, 1997. Nitrogen

oxides, carbon monoxide, sulfur dioxide, particulate matter with an aerodynamic diameter less than 10 micrometers, volatile organic compounds, and sulfuric acid mist underwent PSD review in this permitting action. No permitting action since that time has triggered PSD review."

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