



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION IX

**75 Hawthorne Street
San Francisco, CA 94105-3901**

February 21, 2008

Charlene Nelson
Program Supervisor
Navajo Air Quality Control Program
P.O. Box 529
Fort Defiance, AZ 86504

Dear Ms. Nelson:

Thank you for the opportunity to review the Navajo Environmental Protection Agency's (NNEPA) proposed Part 71 permit renewal for the Navajo Generating Station, located in Page, AZ. We have enclosed our comments, which include suggestions for improving the clarity and enforceability of the permit.

Please contact Roger Kohn at (415) 972-3973 or kohn.roger@epa.gov if you have any questions concerning our comments.

Sincerely,

A handwritten signature in blue ink, appearing to read "Gerardo C. Rios".

Gerardo C. Rios
Chief, Permits Office
Air Division

Enclosure

EPA Region 9 Comments
Proposed Part 71 Permit Renewal
Navajo Generating Station

1. Since the acid rain permit renewal that EPA will issue will contain the facility's acid rain renewal application, Attachment B is not necessary and we recommend that NNEPA delete it. For the same reason, condition II.A. should be revised to remove this language: "...and the acid rain permit application (see Attachment B)."
2. Condition III.C.3. requires the permittee to report certain types of deviations to NNEPA by telephone, facsimile, or electronic mail. NNEPA should revise this condition to require that these deviations be reported to both NNEPA and EPA. The e-mail address for reporting to EPA is r9.aeo@epa.gov.
3. Since the facility is not voluntarily accepting any limits on its potential to emit (PTE) in this permit, its PTE will be the same before and after permit issuance. For greater clarity, we recommend that NNEPA delete the phrase "after issuance" in the heading "Potential to Emit after Issuance" in section 1.1 of the statement of basis.
4. Section(c) on page 12 of the statement of basis states that "fugitive emissions from this source are counted toward determinations associated with PSD review." Since the facility is currently a major source under the Prevention of Significant Deterioration program due its PTE of criteria pollutants, and the facility is not making a physical change or a change in its method of operation, there is no need to address how fugitive emissions are evaluated for PSD applicability purposes. For greater clarity, we recommend deleting section (c).
5. The last two sentences of section 3 of the statement of basis are misleading because they give the impression that NNEPA is currently making a PSD applicability determination for modifications the facility made in the past. In addition, PSD is triggered at an existing major source by a "significant" emission increase, as that term is defined in 40 C.F.R 52.21, not by having a "potential to emit greater than the significant modification thresholds." For these reasons, and since the facility is not currently making a physical change or a change in its method of operation, the statement of basis language should be revised. EPA suggests the following changes:

The modifications that commenced in 1997 did not result in an emission increase above ~~have potential to emit greater than~~ the significant modification thresholds in 40 CFR 52.21. Therefore, the modifications that commenced in 1997 ~~were not subject to the requirements of~~ did not trigger PSD.

6. The description of Compliance Assurance Monitoring (CAM) applicability for PM/PM₁₀ emissions from the limestone handling operations controlled by baghouses in section (n) on page 17 of the statement of basis should be revised. First, CAM applicability is based on an emission unit's pre-control PTE, not the PTE. The discussion should state that the pre-control PTE of baghouse DC-11 is less than the major source threshold, and that therefore DC-11 is not subject to CAM. The discussion should also state that the other two baghouses, DC-9 and DC-10, are used to control PM/PM₁₀ emissions from truck dumping, an activity that is not subject to any emission limit from New Source Performance Standard (NSPS) Subpart OOO or any other applicable requirement, and therefore they are not subject to CAM.
7. NSPS Subpart OOO should be listed in the table of applicable requirements on page 18 of statement of basis.