

**SIGNIFICANT PERMIT REVISION NO. 46353
TO PERMIT NO. 33500
ARIZONA PUBLIC SERVICE COMPANY**

SIGNIFICANT PERMIT REVISION DESCRIPTION

This Significant Permit Revision No. 46353 to Operating Permit No. 33500 is being issued to Arizona Public Service Company (APS) to authorize the Cholla Generating Station to make physical changes to its coal preparation plant. The physical changes will help APS optimize its coal handling operations while receiving rail car shipments and will consequently, minimize associated demurrage charges. The physical changes to be performed are as follows:

1. Replacement of the drive assemblies on each unloading hopper discharge feeder and the installation of new variable speed motors. This will facilitate individual hopper control and avoid the need for the rail cars to move back and forth over the hoppers during unloading.
2. Capacities of conveyors 12A and 12B, associated with the New Track System that services boilers 2, 3, and 4, will be increased from 1800 tons per hour to 2200 tons per hour. This provides APS the ability to transfer 1800 tons per hour to the boiler silos while simultaneously unloading up to 400 tons per hour in the open storage pile.
3. Installation of a new pulse-jet baghouse DC-2 to control particulate matter emissions associated with drop points on Crusher Tower #1 and #2.
4. Installation of a new pulse-jet baghouse DC-3 to control particulate matter emissions associated with Transfer Tower #3.

The physical changes will not increase the annual process rates of the New Track System. The capacity of the conveyor belts that transport coal to the boiler silos is not being increased beyond the current rated 1800 tons per hour capacity. The total amount of coal that can be unloaded to the regular open storage pile is restricted by the storage area that is available. The net emissions increase from the physical changes is expected to be 0.19 tons per year of particulate matter, well below the PSD significance level. The physical changes will result in hourly emissions increases from the New Track unloading hoppers and Conveyor 12A. Consequently, these units will now be subject to the requirements of 40 CFR 60, Subpart Y.

This significant revision will result in following changes to the Permit No. 33500:

Attachment B

Section VIII of Attachment B of Operating Permit #33500 shall be amended to read as follows:

VIII. COAL PREPARATION PLANT

- A. Equipment subject to State Rules (all equipment in the coal preparation plant except equipment identified in Section B below)

Particulate Matter and Opacity

1. Emission Limits/Standards
 - a. Opacity Standard

The Permittee shall not cause, allow or permit to be emitted into the atmosphere any plume or effluent from the equipment covered by this section, the opacity of which exceeds 20 percent, measured in accordance with EPA Reference Method 9. Where the presence of uncombined water is the only reason for an exceedance of any visible emissions requirements, such exceedance shall not constitute a violation.

[A.A.C. R18-2-702.B.3 and C]

b. Particulate Matter Standard

The Permittee shall not cause, allow or permit the discharge of particulate matter into the atmosphere in any one hour from the equipment covered by this section in total quantities in excess of the amounts calculated by the following equation:

$$E = 55.0 P^{0.11} - 40$$

Where:

E = The maximum allowable particulate emissions rate in pounds-mass per hour.

P = The process weight rate in tons-mass per hour. The total process weight from all similar units employing a similar type process shall be used in determining the maximum allowable emissions of particulate matter.

[A.A.C. R18-2-716.B & D]

2. Air Pollution Control Requirements

a. The Permittee shall operate and maintain water spraying/chemical dust suppression at the feeders during railcar unloading, at the screen feeders during screening, and at the coal piles during stockpiling in a manner consistent with good air pollution control practice for minimizing particulate matter emissions from the coal preparation plant.

[Installation Permit No. 1160 & A.A.C. R18-2-331.A.3.e]

b. The Permittee shall operate and maintain dust collectors installed for Crusher Tower #1, Crusher Tower #2, and Transfer Tower #3, in a manner consistent with good air pollution control practice for minimizing particulate emissions.

[Installation Permit No. 1160 & A.A.C. R18-2-331.A.3.e]

3. Monitoring, Recordkeeping and Reporting Requirements

a. The Permittee shall conduct a weekly Visible Emissions Observation Procedure for any point source, non-point sources, or fugitive emissions for the equipment covered by this section consistent with Condition I.I of this attachment.

[A.A.C. R18-2-306.A.3.c]

b. The water spraying/chemical dust suppressing system and dust collectors for the coal preparation plant shall be operated and maintained in accordance with the manufacturer's specifications. These specifications shall be on file and shall be readily available for inspection by the Department.

[A.A.C. R18-2-306.A.3.c]

c. The Permittee shall maintain records of emissions control equipment maintenance performed on the water spraying/chemical dust suppressing system and dust collectors.

[A.A.C. R18-2-306.A.3.c]

4. Permit Shield

Compliance with the terms of this Section shall be deemed compliance with A.A.C. R18-2-702.B and 716.B and D for the sources subject to this Section.

[A.A.C. R18-2-325]

B. Equipment subject to NSPS (New Track Unloading Hopper and Conveyor 12A)

Opacity

1. Emission Limitation/Standards

The Permittee shall not cause to be emitted to the atmosphere from the equipment covered by this section, gases which exhibit opacity greater 20 percent.

[40 CFR 60.252(c) & A.A.C. R18-2-331.A.3.f]

2. Air Pollution Control Requirements

The Permittee shall operate and maintain water spraying/chemical dust suppression at the feeders during rail car unloading and at the drop point of Conveyor 12A in a manner consistent with good air pollution control practice for minimizing particulate matter emissions.

[A.A.C. R18-2-306.A.2 & A.A.C. R18-2-331.A.3.e]

3. Monitoring, Recordkeeping, and Reporting Requirements

a. The Permittee shall conduct a weekly Visible Emissions Observation Procedure for the equipment covered by this section consistent with Condition I.I of this attachment. [A.A.C. R18-2-306.A.3.c]

b. The water spraying/chemical dust suppressing system and dust collectors for the coal preparation plant shall be operated and maintained in accordance with the manufacturer's specifications. These specifications shall be on file and shall be readily available for inspection by the Department. [A.A.C. R18-2-306.A.3.c]

c. The Permittee shall maintain records of emissions control equipment maintenance performed on the water spraying/chemical dust suppressing system and dust collectors. [A.A.C. R18-2-306.A.3.c]

4. Performance Testing Requirements

The Permittee shall conduct initial performance tests for opacity in accordance with the provisions of 40 CFR 60.8. [A.A.C. R18-2-312]

The Coal Handling System information in the equipment list identified in Attachment C of Permit # 33500 shall be amended to read as follows:

Equipment	Operating scenario	Quantity	Manufacturer	Model/type	Serial	Date Installed	Rated Capacity
COAL HANDLING SYSTEM							
COAL UNLOADING SYSTEM – NEW TRACK							
NU1 – Rail Car Discharge Point	Normal	1	Continental Conveyor	--	--	1974 Retrofitted in 2008	2,200
NU2 – Conveyor 12A Discharge	Normal	1	Continental Conveyor	--	--	1974 Retrofitted in 2008	2,200
NU3 – Conveyor 12B Discharge	Normal	1	Continental Conveyor	--	--	1974 Retrofitted in 2008	2,200
NU4 - Crusher Tower #2 Discharge To Conveyor 32 North/South	Normal	1	Continental Conveyor	--	--	1974 Retrofitted in 2008	2,200
NU5 – Crusher Tower #2 Discharge To Conveyor 35	Normal	1	Continental Conveyor	--	--	1974	560
NU6 – Conveyor 32 North/South Discharge	Normal	1	Continental Conveyor	--	--	1974 Retrofitted in 2008	2,200
NU7- Transfer Tower #3 Discharge To Conveyor 22	Normal	1	Continental Conveyor	--	--	1974	1,800
NU8 – Transfer Tower #3 Discharge To Conveyor 33 East/West	Normal	1	Continental Conveyor	--	--	1974	1,800
NU9 – Conveyor 22 Discharge to Storage Pile	Normal	1	Continental Conveyor	--	--	1974	1,800
COAL UNLOADING SYSTEM – OLD TRACK							
O1 – Old Track Unloading Hopper Inlet/Discharge	Normal	2	Continental Conveyor	--	--	1961	560
O2 – Conveyor 11 Discharge To Crusher Tower #1	Normal	1	Continental Conveyor	--	--	1961	560
O3- Conveyor 11 Discharge To Conveyor 21	Normal	1	Continental Conveyor	--	--	1961	560
O4 – Crusher Tower #1 Discharge To Conveyor 31	Normal	1	Continental Conveyor	--	--	1961	560
O5 – Crusher Tower #1 Discharge To Conveyor 35	Normal	1	Continental Conveyor	--	--	1961	560
O6 – Conveyor 21 Discharge to Storage Pile	Normal	1	Continental Conveyor	--	--	1961	560
COAL RECLAIM SYSTEM							
RC1 – Reclaim Hopper Discharge	Normal	1	Continental Conveyor	--	--	1974	1,800

Equipment	Operating scenario	Quantity	Manufacturer	Model/type	Serial	Date Installed	Rated Capacity
RC2 – Conveyor 24 (E&W) Discharge To Conveyor 25 (E&W)	Normal	1	Continental Conveyor	--	--	1974	1,800
R3 – Conveyor 25 (E&W) Discharge To Crusher Tower #2	Normal	1	Continental Conveyor	--	--	1974	1,800
R4 – Crusher Tower #2 Discharge To Conveyor 35	Normal	1	Continental Conveyor	--	--	1974	560
RC5 – Crusher Tower #2 Discharge To Conveyor 32 North/South	Normal	1	Continental Conveyor	--	--	1974	1,800
RC6 – Conveyor 32 North/South Discharge To Transfer Tower #3	Normal	1	Continental Conveyor	--	--	1974	1,800
RC7 – Transfer Tower #3 Discharge To Conveyor 33 East/West	Normal	1	Continental Conveyor	--	--	1974	1,800
COAL SILO FEED SYSTEM							
CF1 – Conveyor 31 Discharge	Normal	1	Continental Conveyor	--	--	1961	560
CF2 – Conveyor 41 (A or B) Discharge	Normal	1	Continental Conveyor	--	--	1974	560
CF3 – Unit 1 Coal Silo Vent	Normal	1	Continental Conveyor	--	--	1961	560
CF4 – Conveyor 33 East/West Discharge To Conveyor 34 North/South	Normal	1	Continental Conveyor	--	--	1974	1,800
CF5 – Conveyor 34 North/South Discharge To Conveyor 42 (A&B)	Normal	1	Continental Conveyor	--	--	1974	1,800
CF6 – Conveyor 34 North/South Discharge To Conveyor 43 (A&B)	Normal	1	Continental Conveyor	--	--	1975	1,800
CF7 – Conveyor 34 North/South Discharge To Conveyor 36 (North&South)	Normal	1	Continental Conveyor	--	--	1978	1,800
CF8 – Conveyor 36 (North&South) Discharge to Conveyor 44 (A&B)	Normal	1	Continental Conveyor	--	--	1978	1,800
CF9 – Unit 2 Coal Silo Vent	Normal	1	Continental Conveyor	--	--	1974	1,800
CF10 – Unit 3 Coal Silo Vent	Normal	1	Continental Conveyor	--	--	1975	1,800
CF11 – Unit 4 Coal Silo Vent	Normal	1	Continental Conveyor	--	--	1978	1,800

Equipment	Operating scenario	Quantity	Manufacturer	Model/type	Serial	Date Installed	Rated Capacity
Dust Collector (Unit 1 Silo Ventilation & Conveyors, Tag no. DC-01A)	Normal	1	MAC Equipment	144MCF153-145, Style III	36307-001-1	2002	Exhaust Fan Volumetric Flow Rate: 12,350 cfm; Static Pressure: 13.00" wg
Dust Collector (Unit 2 Silo Ventilation, Tag no. DC-02A)	Normal	1	MAC Equipment	144MCF255-165, Style III	36307-031-1	2002	Exhaust Fan Volumetric Flow Rate: 14,000 cfm; Static Pressure: 13.00" wg
Dust Collector (Unit 2 Transfer Conveyors, Tag no. DC-02B)	Normal	1	MAC Equipment	144MCF361-285, Style III	36307-051-1	2002	Exhaust Fan Volumetric Flow Rate: 24,000 cfm; Static Pressure: 14.00" wg
Dust Collector (Unit 3 Silo Ventilation, Tag no. DC-03A)	Normal	1	MAC Equipment	144MCF153-145, Style III	36307-011-1	2002	Exhaust Fan Volumetric Flow Rate: 14,000 cfm; Static Pressure: 13.00" wg
Dust Collector (Unit 3 Transfer Conveyors, Tag no. DC-03B)	Normal	1	MAC Equipment	144MCF255-165, Style III	36307-041-1	2002	Exhaust Fan Volumetric Flow Rate: 12,000 cfm; Static Pressure: 14.00" wg
Dust Collector (Unit 4 Silo Ventilation, Tag no. DC-04A)	Normal	1	MAC Equipment	144MCF153-130, Style III	36307-061-1	2002	Exhaust Fan Volumetric Flow Rate: 11,000 cfm; Static Pressure: 11.00" wg
Dust Collector (Unit 4 Transfer Conveyors, Tag no. DC-04B)	Normal	1	MAC Equipment	144MCF153-145, Style III	36307-021-1	2002	Exhaust Fan Volumetric Flow Rate: 12,000 cfm; Static Pressure: 13.00" wg
DC #2	Normal	1	MAC Equipment	144MCF494-430, Style III	118043-001-1	2008	Exhaust Fan Volumetric Flow Rate: 36,450 cfm; Static Pressure: 13.00" wg

Equipment	Operating scenario	Quantity	Manufacturer	Model/type	Serial	Date Installed	Rated Capacity
DC #3	Normal	1	MAC Equipment	144MCF255-200, Style III	118043-003-1	2008	Exhaust Fan Volumetric Flow Rate: 17,600 cfm; Static Pressure: 13.00" wg