UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IX
75 Hawthorne Street
San Francisco, CA 94105-3901

August 27, 2009

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 Peabody Western Coal Company's Black Mesa Complex. We have enclosed our comments, which include the requirement that NNEPA revise condition II.C.1. to require a Method 9 observation if an instantaneous opacity reading of 10% or greater is detected during a weekly visible emission survey.

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

Sincerely,

Gerardo C. Rios
Chief, Permits Office
Air Division

Enclosure

cc: Gary Wendt, PWCC

Printed on Recycled Paper

EPA Region 9 Comments
Proposed Part 71 Permit Renewal
Peabody Western Coal Co. – Black Mesa Complex

1. EPA agrees with requirement to conduct weekly visible emission surveys in condition II.C.1. However this condition, unlike the corresponding condition in the initial permit issued by EPA Region 9, does not contain any language that would trigger a Method 9 observation under certain conditions. Our initial permit required PWCC to conduct an opacity test using EPA Method 9 within 24 hours if an instantaneous opacity reading of 10% or greater was detected. This approach was used to reduce the frequency of required Method 9 observations while still providing a useful gatekeeper to determine whether additional monitoring is warranted. Without this provision, condition II.C.1. in the proposed permit serves no purpose. NNEPA must revise this condition to require a Method 9 observation if an instantaneous opacity reading of 10% or greater is detected.

2. EPA disagrees with the PM-10 and PM potential to emit ("PTE") that NNEPA presents on page 12 of the statement of basis. NNEPA has used controlled emission factors from AP-42 to calculate PWCC's PTE of these pollutants. However, since the permit does not contain any enforceable requirements for PWCC to maintain and operate its particulate control devices, NNEPA cannot rely on controlled emission factors for the purpose of calculating PM-10 and PM PTE. Therefore EPA notes that the PM-10 and PM PTE presented in the statement of basis are only estimates of the facility's worst case actual emissions, assuming use of the particulate control devices, but does not imply that PWCC has an enforceable PTE limit. Absent stringent monitoring and testing conditions for the crushers, screens, conveyors, and other processing equipment, as well as conditions requiring the maintenance and operation of the sprayers, the PTE calculation is not enforceable as a practical matter. NNEPA should either recalculate the PTE based on uncontrolled emissions, or use another term instead of PTE, e.g., "emissions estimate."

3. NNEPA should delete condition III.A.1., which requires the submittal of a source test plan 30 days prior to every source test. At this time the only emission limit PWCC is subject to is a 20% opacity limit. EPA does not expect PWCC to submit source test plans for Method 9 opacity testing. We note that our draft initial permit contained this condition. PWCC requested that we delete it, and we agreed.

4. The semi-annual monitoring reporting condition (III.C.1.) has an obsolete reference to a due date that has passed. NNEPA should delete the provision that states "except that the first reporting period shall cover the period from the effective date of this Part 71 permit through December 31, 2008."

5. NNEPA should delete condition III.H.2., which grants a permit shield for 40 CFR 60, Subpart Kb (the New Source Performance Standard for Volatile Organic

Liquid Storage Vessels). The language in condition III.H.2. is from EPA Region 9's initial permit, and is appropriate permit shield language when a source is subject to an applicable requirement, and that requirement has been incorporated into the permit. If PWCC is no longer subject to any Subpart Kb requirements, as explained in the statement of basis, this condition is unnecessary.

6. NNEPA should not refer to the coal preparation plant as a "support facility" in the statement of basis. A "support facility" is normally an industrial source that is adjacent or contiguous to a primary stationary source; has a different SIC code than the primary source; and conveys, stores, or otherwise assists in the production of the principal product. As the mine and the coal preparation facility have the same owner and same two digit SIC code, they are considered one stationary source; therefore, the support facility issue never arises.

7. The discussion of the 2004 permit reopening in the statement of basis incorrectly states that "The source also requested that USEPA include conditions in the permit to limit the potential to emit (PTE) of PM-10." This issue was raised by PWCC prior to issuance of the final initial permit, and subsequently in the petition PWCC filed with the Environmental Appeals Board. However, PWCC did not pursue the inclusion of PTE limits as part of the reopening, or subsequently apply for a permit revision to address this issue. Therefore, NNEPA should delete this sentence.

8. The periodic monitoring discussion on pages 3-5 of the statement of basis is helpful, but could be improved by a more detailed evaluation of PWCC's proposal. For example, we agree with the proposals to change the water spray and water meter inspection frequencies from weekly to monthly. We also agree that the frequency of visible emissions surveys could be decreased based on an analysis PWCC's compliance data during the initial permit term. However, while PWCC proposed to delete the survey requirement from the permit entirely, we believe that this monitoring requirement should be retained, albeit with a frequency of weekly instead of the daily surveys currently required. Finally, PWCC's proposal to conduct Method 9 testing once per permit term would not assure compliance with the opacity limit or provide data for annual compliance certifications. We would agree that Method 9 testing frequency can be decreased from monthly to quarterly.