



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 6
1445 ROSS AVENUE, SUITE 1200
DALLAS, TX 75202-2733

*NSR
653812*

APR 14 2009

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
2009 APR 16 AM 10:04
CHIEF CLERKS OFFICE

Office of the Chief Clerk (MC-105)
Texas Commission on
Environmental Quality
P.O. Box 13087
Austin, TX 78711-3087

OPA
APR 16 2009
BY *[Signature]*

RE: Prevention of Significant Deterioration (PSD) Draft Permit, White Stallion Energy Center, PSD-TX-1160, HAP28, and PAL26, Matagorda County, Texas *86088*

To Whom It May Concern:

We have reviewed the draft Prevention of Significant Deterioration (PSD) permit for the White Stallion Energy Center located in Matagorda County, Texas. We received it in our office on March 13, 2009. The draft permit was evaluated to ensure consistency with the Texas PSD State Implementation Plan (SIP) and Federal Clean Air Act requirements. Our comments on the permit are enclosed.

We look forward to working with the Texas Commission on Environmental Quality (TCEQ) to address the issues identified in our comments and to ensure that the final permit is consistent with the requirements of the Texas PSD SIP. This letter is not a final position by the U.S. Environmental Protection Agency (EPA) concerning the disposition of the application and draft permit. Please contact me at (214) 665-7250, or Stephanie Kordzi of my staff at (214) 665-7520, if you have questions. Thank you for your cooperation.

Sincerely yours,

[Signature of Jeff Robinson]

Jeff Robinson
Chief
Air Permits Section

Enclosures

THE STATE OF TEXAS
COUNTY OF TRAVIS
I HEREBY CERTIFY THAT THE SIGNATURE AND PRINT COPY
OF A TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
DOCUMENT, WHICH IS PART OF THE PERMITTING RECORDS

SEP 21 2009

OF THE U.S. ENVIRONMENTAL PROTECTION AGENCY AND THE
SEAL OF THE AGENCY

[Signature]

CMW

cc: Mr. Randy Hamilton
Texas Commission on Environmental Quality

Mr. Steve Hagle
Texas Commission on Environmental Quality

THE STATE OF TEXAS
COUNTY OF TEXAS
I HEREBY CERTIFY THAT THIS IS A TRUE AND CORRECT COPY
OF A TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
DOCUMENT, WHICH IS FILED IN THE PUBLIC RECORDS

SEP 21 2009

OFFICE OF THE CLERK OF THE
SEAL OF THE COUNTY



CLERK OF THE COUNTY CLERK
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

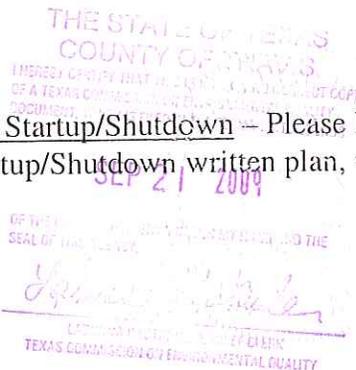
ENCLOSURE

Permit

1. Page 18, Permit Condition 32 - We recommend that TCEQ consider requiring particulate matter (PM) Continuous Emission Monitoring Systems (CEMS) to monitor filterable PM. PM CEMS was mentioned in the Preliminary Determination Summary (See Comment Number 4 below). PM CEMS measures the pollutant of interest, which periodic performance testing also measures, but it provides a greater degree of confidence that the PM control device is operating as intended. We believe PM CEMS for filterable particulate matter have been adequately demonstrated, and we are aware of a number of successful applications in industries such as pulp and paper, hazardous waste incineration, copper smelting, and no fewer than six electric generating units. We are aware of additional plans for installation of PM CEMS on electrical generating units. The capital and operating costs of PM CEMS are comparable to those of Continuous Opacity Monitoring Systems (COMS). Also, we note that revisions to the New Source Performance Standards for electric utility boilers allow PM CEMS to be used in lieu of opacity limits and COMS. Direct, continuous measurement of the pollutant of concern, as can be provided only by PM CEMS, will help ensure proper monitoring of the PM control equipment to the source, the environmental agency, and the public.
2. Page 20, Permit Condition 39.C. – The permit condition states that compliance with the Plantwide Applicability Limit (PAL) will be demonstrated by using CEMS. However, CEMS are not required for PM monitoring. Please reconcile.
3. Page 20, Permit Condition 39.D. – The permit states that the PAL is subject to the requirements of 30 Texas Administrative Code (TAC) Chapter 116, Subchapter C. However, EPA is currently reviewing these state regulations and has not yet taken action to approve or disapprove these regulations into the Texas State Implementation Plan (SIP). Accordingly, Texas must demonstrate that all emissions units at this source continue to meet all requirements of the currently approved SIP, including the requirements of any existing permits issued under the approved SIP. If any requirement of an existing permit is changed, the record for this permit action must demonstrate that such change meets the applicable SIP approved requirements in 30 TAC section 116.116. In addition, we strongly encourage TCEQ to ensure that all facets of EPA's PAL provisions are adequately addressed by this permit. (Please see *Federal Register (FR)*, 67 FR 80186, December 31, 2002.)

Preliminary Determination Summary

4. Page 9, BACT for Emissions during Startup/Shutdown – Please have the permittee forward a final copy of the final Startup/Shutdown written plan, when prepared.



5. Page 13, Section VII, Ozone Analysis – The EPA is concerned about the TCEQ guidance referenced by the applicant in the Modeling Report that was submitted to TCEQ regarding assessing the ozone impacts from the proposed unit in its PSD permit application. Specifically, it was determined that the location is ozone neutral. If the TCEQ guidance that was used is based on the Scheffe Point Source Screening Tables, then EPA has commented and provided information to TCEQ on the inaccuracy of using Scheffe Point Source Screening Tables for determining ozone ambient impacts in previous permit comment letters. While Scheffe tables have been previously used in PSD permit applications to assess ozone impacts in the absence of other accepted techniques, use of the Scheffe Point Source Screening Tables or similar screening processes are not EPA-approved PSD modeling protocols.¹ TCEQ Air Quality Modeling Guidelines establish a process by which the permit applicant communicates with TCEQ staff and develops a modeling protocol that will be followed. We could not see where a modeling protocol was developed or submitted by White Stallion. Please forward it to our office if it was prepared. The TCEQ has numerous nitrogen oxide control strategies throughout East Texas and in the Houston-Galveston-Brazoria (HGB) area to reduce ozone levels, but the comment that the proposed source, considering its proposed location, is ozone neutral is in direct conflict with control strategies developed to reduce ozone in the nearby HGB Nonattainment Area. EPA Region 6 will consider available Clean Air Act enforcement authorities or objecting to the subsequent Title V permit for this facility if an appropriate ozone analysis is not conducted for this facility. In addition, since this facility is proposed immediately outside the HGB non-attainment area, please provide EPA appropriate air quality modeling for ozone impacts that clearly demonstrates what the project's impact will be at specific monitors in the HGB area and that the construction of the facility will not significantly impact ozone levels at the HGB area. At this point, the only modeling technique that would seem technically appropriate for this source would be a CAMx based analysis using available modeling databases. We look forward to working together with the source in developing a modeling protocol for the ozone analysis. Please remember that EPA does not have an established significant impact level for ozone and TCEQ should not assume that the threshold for PSD purposes is an impact of 2.0 parts per billion or more.

¹ We have enclosed the Richard Scheffe letter on the Scheffe Point Source Screening Tables for TCEQ and the source's reference

THE STATE OF TEXAS
COUNTY OF TARRANT
I HEREBY CERTIFY THAT THE ABOVE NAMED PARTY IS THE
OWNER OF THE PROPERTY DESCRIBED IN THE RECORDS
RECORDED IN THE PUBLIC RECORDS OF THE
COUNTY OF TARRANT, TEXAS, ON SEPTEMBER 21, 2009.
SEP 21 2009
OF THE COUNTY OF TARRANT, TEXAS
COUNTY CLERK
TEKAS COUNCILMAN ON ELECTIONS AND QUALITY



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
RESEARCH TRIANGLE PARK, NC 27711

JUL 28 2006

Rec'd
BP - AR

AUG - 3 2006

Dial _____
Staff _____

Ms. Abigail Dillen
209 South Willson Avenue
Bozeman, Montana 59715

OFFICE OF
AIR QUALITY PLANNING
AND STANDARDS

Dear Ms. Dillen:

This letter is in response to your inquiry regarding applicability of the Scheffe Point Source Screening Tables.

I developed the screening tables in 1988 as a screening test to estimate the contribution to ambient ozone associated with increased non-methane organic carbon (NMOC) emissions arising from new or modified point sources. The tables never achieved a level of EPA certification associated with EPA guideline models and consequently were not endorsed by the Agency. After publication (non peer reviewed literature) of the tables in 1989, the American Petroleum Institute enlisted renowned atmospheric modeling experts, Drs. John Seinfeld and Panos Georgopoulos of the California Institute of Technology, to review the technique. Based on their input and our own analysis, the EPA decided at that time that the tables did not adhere to an adequate level of scientific credibility to be recommended for their intended purpose.

Ozone science has advanced markedly since 1988 with substantial improvements in the characterization of emissions, meteorological, and atmospheric chemistry processes, paralleling an equivalent improvement in computational processing capability, all of which constitute the principal features of a modeling framework. As a result, the Scheffe method, which was deemed "not adequate" in 1989, would be even less adequate today.

Please do not hesitate to contact me (919-477-7955) regarding any further questions.

Sincerely,

Richard D. Scheffe, PhD
Senior Science Advisor
OAQPS, EPA

cc: Richard Long, Region 8
Tom Curran
Valerie Broadwell

THE STATE OF TEXAS
COUNTY OF TARRANT
SEP 21 2009
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY