



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

January 16, 2013

Venk Reddy
Associate Air Quality Engineer
Sacramento Metropolitan Air Quality Management District
777 12th Street
Sacramento, California 95814-1908

Re: Draft Title V Permit Revision for Cosumnes Power Plant

Dear Mr. Reddy:

Thank you for the opportunity to review the District's proposed significant revision of the Cosumnes Power Plant title V permit, which we received on December 4, 2012. In accordance with SMAQMD Rule 207, we have reviewed the District's proposed permit revision during our 45-day review period.

The District is proposing to add a new permit shield condition (III.47) that states "Compliance with the conditions of the Title V permit shall be deemed compliance with *any applicable requirements* as of the date of the Title V permit issuance" (emphasis added). This permit shield language is overly broad and does not conform with Title V permit shield requirements, including the provisions of the District's Rule 207 (Title V - Federal Operating Permit Program). Rule 207 allows the District to grant permit shields, provided that the District "includes and specifically identifies such requirements in the Title V permit". In order to grant a permit shield, the District must include a permit shield condition that specifically cites the regulation that the shield applies to, and ensure that all the applicable requirements from that regulation are included in the permit. The language of condition III.47 amounts to a blanket permit shield for all applicable requirements, including requirements that have not been included in the permit. The District must delete this condition.

EPA concurs with the District's approach of adding a condition to the permit to clarify how the District interprets SIP Rule 413, Stationary Gas Turbines, for this source, given its specific configuration (i.e., two gas turbines and two HRSGs, ducted to a single steam turbine). We suggest the following edit to Condition V.B.9, for greater clarity:

For purposes of determining compliance with SMAQMD Rule 413, startup is defined as the time period commencing with the introduction of fuel to the gas turbine and ending at the time that the 15 minute average NOx concentration does not exceed 9.0 ppmvd at 15% O2.

The existing (initial) Title V permit for this facility has a permit shield condition (III.46) that already applies to SIP Rule 413 and the New Source Performance Standard (NSPS) for stationary gas turbines, 40 CFR 60, Subpart GG. Neither the statement of basis prepared to support the current proposed permit revision, or the statement of basis the District produced to

support the issuance of the initial permit in 2008, contains a permit shield analysis that demonstrates that compliance with the terms and conditions of the Title V permit ensure compliance with Rule 413 and Subpart GG. Such an analysis would help the District, EPA, and the public by citing the shielded requirements in detail (not merely high level references to the Rule 413 or Subpart GG, but specific citations of applicable requirements within these regulations, down to the subparagraph level), and documenting the corresponding permit conditions that assure that compliance with the permit will assure compliance with the applicable requirements. EPA strongly recommends that the District provide such an analysis when issuing this significant modification. Alternatively, given that the permit is due to be renewed this year, the District could provide this necessary analysis when it proposes the Title V permit renewal for this facility.

When streamlined conditions are used to assure compliance with Rule 413 or Subpart GG, and any more stringent requirements, it is important that the District include citations to the subsumed applicable requirements as the basis for the streamlined condition in its citations of origin and authority in the Title V permit. This will clarify that the streamlined conditions assure compliance with all of the cited applicable requirements.

Finally, we note that the District cites EPA's White Paper Number 2 as the basis for Condition III.46, which is the permit shield for Rule 413 and Subpart GG. While this EPA guidance document addresses permit shields in the context of streamlining multiple overlapping applicable requirements, it is not the regulatory basis for adding a permit shield to a Title V permit. The District should replace this citation with a citation to District Rule 207, Section 307, which is the District's authority to include permit shields in Title V permits.

Please contact Roger Kohn at (415) 972-3973 or kohn.roger@epa.gov if you have any questions about our comments, or want to discuss any specific issues we have raised.

Sincerely,



Gerardo C. Rios
Chief, Permits Office
Air Division

cc: Paul Lau, Cosumnes Power Plant
Michael Tollstrup, California Air Resources Board