



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION IX

75 Hawthorne Street  
San Francisco, CA 94105-3901

May 20, 2009

Matthew DeBurle  
Supervisor, Permitting Branch  
Nevada Bureau of Air Pollution Control  
333 W. Nye Lane  
Carson City, NV 89706

Re: Proposed Renewal of Title V Operating Permit for Sierra Pacific Power's North  
Valmy Generating Station

Dear Mr. DeBurle:

Thank you for the opportunity to review the Bureau of Air Pollution Control's (BAPC) proposed title V permit renewal for the North Valmy Generating Station, which we received on April 8, 2009. Our comments focus on the acid rain and Compliance Assurance Monitoring (CAM) conditions in the permit, and include explanations of some corrections that BAPC must make before issuing the final permit.

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

Sincerely,

A handwritten signature in cursive script that reads "Gerardo C. Rios".

FOR  
Gerardo C. Rios  
Chief, Permits Office  
Air Division

**EPA Region 9 Comments**  
**BAPC Draft Operating Permit Renewal**  
**Sierra Pacific Power – North Valmy Generating Station**

Compliance Assurance Monitoring

1. The proposed permit requires quarterly visible emissions monitoring of baghouses for CAM purposes. We recommend that BAPC change the quarterly monitoring requirement from a “visible emissions inspection” to a Method 9 observation. In addition, EPA believes this monitoring is not frequent enough to detect bag leaks in a timely manner, especially for systems in which large baghouses are capturing high tonnages of particulate matter. We also recommend that BAPC require daily visible emissions surveys (using Method 22) for the baghouses on boilers #1 and #2, which have high pre-control potential to emit, and weekly surveys for all other baghouses. To justify this frequency, we note that EPA’s CAM Technical Guidance Document includes two examples of baghouses that are observed daily.<sup>1</sup> In addition, for examples of title V permits for coal-fired power plants that require daily visible emissions surveys of baghouse stacks for CAM purposes, we refer BAPC to permits issued by the Wyoming Department of Environmental Quality for Pacific Corp. (Dave Johnston and Jim Bridger plants), Black Hills Corp. (Osage, Neil Simpson I and II, Wygen), and Basin Electric Power Cooperative (Laramie River Station).<sup>2</sup> We believe it is reasonable to require daily visible emissions surveys for CAM at facilities with emission units that emit large amounts of particulate matter prior to control, and rely on control devices to comply with emission limits for particulate matter.
2. The permittee proposed weekly measurement of baghouse pressure drop in the CAM plan included in its title V permit renewal application and the proposed permit contains this frequency. However, Part 64 requires a minimum data collection frequency of once every 24 hours (§64.3(b)(4)(iii)) to determine whether or not an excursion or exceedance has occurred. BAPC must revise the permit to require that pressure drop values be recorded at least once per day.
3. The condition with the annual compliance certification requirement (condition V.E.1. in General Requirements) lacks a required CAM reporting element. Part 70 was revised when Part 64 was promulgated. One of the changes was to §70.6(c)(5)(iii), which now requires that annual compliance certifications “identify as possible exceptions to compliance any periods during which compliance is required and in which an excursion or exceedance as defined under Part 64 of this chapter occurred.” BAPC must add this requirement to the compliance certification condition of the permit (and all future permits with emission units subject to CAM).

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<sup>1</sup> See pages 20 and 36 of the CAM Technical Guidance Document posted on EPA’s website at: <http://www.epa.gov/ttn/emc/cam/ap-a8-15.pdf>

<sup>2</sup> These permits are available on-line at: <http://deq.state.wy.us/aqd/TitleVPermitsIssued.asp>

4. The minimum value in all the pressure drop indicator ranges in the proposed permit is 1.0 inch of water. The lower limit of the range is important for leak detection (vs. the upper limit, which is important for safety considerations). Since Sierra Pacific proposed a higher minimum pressure limit of 3.0 inches of water for some of its baghouses subject to CAM, EPA requests clarification from BAPC on its reasons for reducing the minimum pressure limit in some cases.

#### Acid Rain

5. It appears that Sierra Pacific's acid rain renewal application is incomplete. An acid rain renewal permit application must include an Acid Rain Permit Application (EPA Form 7610-16, revised July 2008) as well as a Phase II NO<sub>x</sub> compliance plan for every unit subject to an acid rain NO<sub>x</sub> limit and a NO<sub>x</sub> averaging plan, if applicable.<sup>3</sup> Based on the documentation included in its title V permit renewal application, Sierra Pacific submitted the NO<sub>x</sub> compliance and averaging plans, but not the Acid Rain Permit Application. Since BAPC is relying in part on the incorporation by reference of the acid rain permit application into the title V permit in order to include all applicable requirements, and since the missing form contains applicable acid rain requirements, BAPC must require the applicant to submit the missing portion of the application as soon as possible. BAPC may not issue the title V renewal until Sierra Pacific submits the missing acid rain application (unless the acid rain permit is issued separately at a later date), and the final permit should incorporate by reference all components of the Acid Rain Permit Application.
6. The tables of SO<sub>2</sub> allowances and NO<sub>x</sub> emission limits for Boilers 1 and 2 on pages VI-3 and VI-17 contain columns for years in the past, and lack columns for any years after 2010. BAPC should revise these tables so that the cited years align with the 5 year term of the combined title V and acid rain permit, i.e., 2009-2013.
7. In renewing the acid rain permit, BAPC is relying in part on the incorporation of the facility's acid rain permit renewal application into the title V permit. Since the application is based on EPA's acid rain regulations, BAPC should add a condition that states that the permit incorporates the definitions of terms in 40 CFR Part 72.2.
8. BAPC should delete the references to the 1995 acid rain permit application and the Phase II Acid Rain Permit for NO<sub>x</sub> Early Election for the 1997-2007 period. These documents will become obsolete when the facility submits the missing portion its acid rain renewal application pursuant to 40 CFR 72.30(c). See comment #5 above.

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<sup>3</sup> The Acid Rain Permit Application may be downloaded from the EPA website at: <http://www.epa.gov/airmarkets/business/docs/forms/acidrainpermitapp.pdf>

9. BAPC should revise the Application Review document, which currently incorrectly implies that EPA is the acid rain permitting authority for the facility. (The document states that “To comply with EPA’s Acid Rain Program for Units #1 & 2, Valmy has submitted a Phase II Permit Application to the EPA.”)

#### Other Issues

10. Condition IX.A.1. of the Specific Requirements portion of the permit requires the permittee to “submit a compliance schedule for meeting the requirements of 40 CFR Part 68.215 by the date provided in 40 CFR Part 68.10(a).” However, BAPC states in the Application Review Document that it received written confirmation from the applicant that it is not subject to the Chemical Accident Prevention Provisions of Part 68. BAPC should either delete the condition, or revise the Application Review Document to explain what chemical(s) triggers Part 68 applicability and base the requirement to submit a compliance schedule on triggering this applicability requirement.