

March 11, 2003

Ralph Hollenbacher  
Plant Manager  
South Point Energy Center  
3779 Courtwright Rd.  
P.O. Box 5619  
Mohave Valley, AZ 86446

Re: Draft Title V Operating Permit and Draft Minor Modification of PSD Permit for the South Point Energy Center (SPEC)

Dear Mr. Hollenbacher:

EPA has completed its review of the Title V permit application submitted by SPEC. I have enclosed the draft Title V Permit to Operate, as well as the accompanying Statement of Basis prepared pursuant to 40 CFR Part 71.

At the same time, in response to your letter dated October 4, 2002, EPA is proposing a minor modification to your May 24, 1999 Prevention of Significant Deterioration (PSD) permit. SPEC is requesting a revision to the PSD permit that will increase the emissions limit for carbon monoxide during startup conditions. You are basing this request on CEMS data collected during turbine startup operations which demonstrate your facility's inability to meet the original startup limit. The facility is proposing to revise condition X.E.6 to increase the startup limit from 1200 lb/hr to 3000 lb/hr and to limit the total startup emissions to 4800 pounds during any startup period.

After reviewing SPEC's amendment request and all of the submitted materials, including the CEMS data, and the revised ambient air quality impact analysis, EPA has determined that the requested changes meet our requirements for a minor modification, would not lead to a violation of the national ambient air quality standards, and would have only minor impacts on air quality. Therefore, we are proposing to add them to the Approval to Construct as requested. To assure compliance with the new limit we will also be adding a record keeping condition to the permit.

A public notice in the Mohave Valley Daily News on March 14 will announce EPA's proposal to both modify the PSD permit and issue the initial Title V permit. Comments on this proposed action may be submitted to the EPA Region 9 office in San Francisco, ATTN: Roger Kohn (AIR-3), for a period of thirty (30) days from the start of the public comment period.

Should there be a significant degree of public comment with respect to the proposed action, the EPA may hold a public hearing. The final Title V permit and modified PSD permit will be effective thirty (30) days after its receipt by South Point Energy Center, LLC. unless:

1. Review is requested under 40 CFR 124.19.

2. No comments requested a change in the draft permit, in which case the permits shall become effective immediately upon issuance.

If you should have any questions, please contact Roger Kohn at (415) 972-3973 or [kohn.roger@epa.gov](mailto:kohn.roger@epa.gov).

Sincerely,

Gerardo C. Rios  
Chief, Permits Office  
Air Division

enclosures

cc: Nora Helton, Fort Mojave Indian Tribe (w/o enclosure)

Amendments to the May 24, 1999  
Approval to Construct/Modify  
(NSR AZ-98-01)

The May 24, 1999 Approval to Construct/Modify issued to South Point Energy Center, LLC for a 500 MW electrical generating facility is hereby proposed for amendment.

EPA proposes to amend Table X-E-2 of Condition X.E.2 to read as follows:

Table X-E-2 Emission Unit Allowable Emissions (lb/h)					
E/U ID	NO <sub>x</sub>	CO <sup>1</sup>	SO <sub>2</sub>	VOC	PM <sub>10</sub>
01	22.4	46.7	4.47	83.1	18.3
	24.0 <sup>a</sup>	158.3 <sup>a</sup>	4.72 <sup>a</sup>		22.8 <sup>a</sup>
02	22.4	46.7	4.47	83.1	18.3
	24.0 <sup>a</sup>	158.3 <sup>a</sup>	4.72 <sup>a</sup>		22.8 <sup>a</sup>

<sup>1</sup> During startup periods, as defined below, allowable CO emissions will be 3,000 lbs/hr.

<sup>a</sup> These emission limits for NO<sub>x</sub>, CO, SO<sub>2</sub>, and PM-10 shall apply only during operations with supplemental heat (duct firing) and/or power augmentation with steam. Operation of E/Us 01 or 02 with supplemental heat (duct firing) and/or power augmentation with steam is limited to 3,000 hours per year each.

EPA proposes to amend Condition X.E.6. to read as follows:

6. The emission limits in Conditions X-E-2 shall apply at all times to E/Us 01, and 02; except during conditions of startup and shutdown and during specified periods of equipment shakedown prior to commercial operation. Startup and shutdown periods shall not exceed 480 hours per year per E/U. Each startup episode shall be limited to a maximum of 4 hours. During periods of startup, the emissions of CO shall not exceed 3,000 pounds per hour and 4,800 pounds per startup event.

All other permit conditions are unchanged and remain in effect.