

**TECHNICAL REVIEW AND EVALUATION FOR SIGNIFICANT REVISION No. 46353
TO
OPERATING AIR QUALITY PERMIT No. 33500
ARIZONA PUBLIC SERVICE COMPANY-CHOLLA GENERATING STATION**

I. INTRODUCTION

This Significant Permit Revision No. 46353 to Operating Permit No. 33500 is being issued to Arizona Public Service Company (APS) to authorize the Cholla Generating Station to make physical changes to its coal preparation plant. The physical changes will help APS optimize its coal handling operations while receiving rail car shipments and will consequently, minimize associated demurrage charges. The physical changes to be performed are as follows:

- Replacement of the drive assemblies on each unloading hopper discharge feeder and the installation of new variable speed motors. This will facilitate individual hopper control and avoid the need for the rail cars to move back and forth over the hoppers during unloading.
- Capacities of conveyors 12A and 12B, associated with the New Track System that services boilers 2, 3, and 4, will be increased from 1800 tons per hour to 2200 tons per hour. This provides APS the ability to transfer 1800 tons per hour to the boiler silos while simultaneously unloading up to 400 tons per hour in the open storage pile.
- Installation of a new pulse-jet baghouse DC-2 to control particulate matter emissions associated with drop points on Crusher Tower #1 and #2.
- Installation of a new pulse-jet baghouse DC-3 to control particulate matter emissions associated with Transfer Tower #3.

A. Company Information

Facility Name: Cholla Power Plant

Mailing Address: P.O. Box 188
Mail Station 4451
Joseph City, Navajo County, AZ 86032

Facility Address: I-40 Frontage Road
Joseph City, Navajo County, AZ 86032

B. Attainment Classification

The Cholla Power Plant area is designated by the Environmental Protection Agency (EPA) as an attainment area for all criteria pollutants.

C. Learning Sites Evaluation

There is one learning site (St. Joseph Jr/Sr High School) within 2 miles of the facility. Based on ambient air quality evaluations that have been conducted in the past and in light of the relatively minor level of emissions from the project, it has been determined that the physical changes that will be done to the coal preparation plant will not adversely affect air quality near the referenced learning site.

II. EMISSIONS

The physical changes will not increase the annual process rates of the New Track System. The capacity of the conveyor belts that transport coal to the boiler silos is not being increased beyond the current rated 1800 tons per hour capacity. The total amount of coal that can be unloaded to the regular open storage pile is restricted by the storage area that is available. The net emissions increase from the physical changes is expected to be 0.19 tons per year of particulate matter, well below the PSD significance level. The physical changes will, however, result in hourly emissions increases from the New Track unloading hoppers and Conveyor 12A. Consequently, these units will now be subject to the requirements of 40 CFR 60, Subpart Y.

III. APPLICABLE REQUIREMENTS

As discussed in the earlier section, the New Track unloading hoppers and Conveyor 12A will be subject to the requirements of 40 CFR 60, Subpart Y. The rest of the coal preparation plant will continue to be subject to the requirements of A.A.C R18-2-716 (state standard for coal preparation plants).

IV. MONITORING, RECORDKEEPING AND REPORTING REQUIREMENTS

All equipment in the coal preparation plant will be required to conduct the weekly visible emissions observation procedure spelled out in the operating permit. Additionally, the Permittee is required to keep records of any air quality related maintenance for the equipment in the coal preparation plant.

IV. PERFORMANCE TESTING REQUIREMENTS

The Permittee is required to perform initial performance tests for opacity for the new track system unloading hoppers and conveyor 12A in accordance with 40 CFR 60.8.