United States Environmental Protection Agency, Region IX
Air Division
75 Hawthorne Street
San Francisco, CA 94105

TITLE V PERMIT TO OPERATE

Permit Number: FM-ROP 07-01

In accordance with the provisions of Title V of the Clean Air Act and 40 C.F.R. Part 71 and applicable rules and regulations,

South Point Energy Center (SPEC)
Mohave Valley, AZ

is authorized to operate air emission units and to conduct other air pollutant emitting activities in accordance with the permit conditions listed in this permit. Terms and conditions not otherwise defined in this permit have the meaning assigned to them in the referenced regulations. All terms and conditions of the permit are enforceable by EPA and citizens under the Clean Air Act.

If all proposed control measures and/or equipment are not installed and properly operated and maintained, this will be considered a violation of the permit.

This permit is valid for a period of five (5) years and shall expire at midnight on the date five years after the date of issuance unless a timely and complete renewal application has been submitted at least six months but not more than eighteen months prior to the date of expiration. The permit number cited above should be referenced in future correspondence regarding this facility.

_____ _____

Date

Deborah Jordan
Director, Air Division
EPA Region IX

Abbreviations and Acronyms

AR	Acid Rain
ARP	Acid Rain Program
CAA	Clean Air Act [42 U.S.C. Sections 7401 et seq.]
CAM	Compliance Assurance Monitoring
CFR	Code of Federal Regulations
EIP	Economic Incentives Program
E/U	Emission Unit
gal	gallon
HAP	Hazardous Air Pollutant
hr	hour
Id. No.	Identification Number
kg	kilogram
lb	pound
MACT	Maximum Achievable Control Technology
MVAC	Motor Vehicle Air Conditioner
Mg	megagram
MMBtu	million British Thermal Units
mo	month
NESHAP	National Emission Standards for Hazardous Air Pollutants
NO_x	Nitrogen Oxides
NSPS	New Source Performance Standards
NSR	New Source Review
PM	Particulate Matter
PM10	Particulate matter less than 10 microns in diameter
ppm	parts per million
PSD	Prevention of Significant Deterioration
PTE	Potential to Emit
psia	pounds per square inch absolute
RMP	Risk Management Plan
SNAP	Significant New Alternatives Program
SO_2	Sulfur Dioxide
SPEC	South Point Energy Center
TSP	Total Suspended Particulate
U.S. EPA or EPA	United States Environmental Protection Agency
VOC	Volatile Organic Compounds

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Attachment A: U.S. EPA Acid Rain Permit Application

I. Source Identification

I.A. General Information

Parent Company name: Calpine Corporation

Parent Company Mailing Address: P.O. Box 11749

City: Pleasanton State: CA Zip: 94598-1749

Plant Name: South Point Energy Center

City: Mohave Valley State: AZ

County: Mohave

EPA Region: IX

Reservation: Fort Mojave Indian Tribe

Company Contact: James Doherty Phone: (928) 346-7000

Plant Manager/Contact: same Phone: same

Responsible Official: James Doherty Phone: (928) 346-7000

Tribal Contact: Nora Helton Phone: (760) 629-4591

SIC Code: 4911

AFS Plant Identification Number: 04-015-MOJ01

Description of Process: natural gas fired combined cycle electrical generating plant

I.B. Emission-Generating Units and Activities

Emission Unit I.D. No.	Unit Description	Associated Control Equipment
E/U 01	Combined Cycle System 1 (natural gas-fired turbine and heat recovery system generator)	Selective Catalytic Reduction (SCR)
E/U 02	Combined Cycle System 2 (natural gas-fired turbine and heat recovery system generator)	Selective Catalytic Reduction (SCR)
E/U 06	Mechanical-draft cooling tower	Drift Eliminator

II. Requirements for Specific Units

II.A. Emission Limits

1. The actual ton per year emissions from the entire facility, including startups and shutdowns, shall not exceed the allowable emissions listed in Table X-E-1 of the PSD Permit, based on a 12-month rolling average. [EPA PSD Permit AZ-98-01, Condition X.E.1]

Table X-E-1
Facility Allowable Emissions (tons per year)

NO_x	CO	SO_2	VOC	PM_{10}
271.7	1297.6	39.9	439	186.5

2. The actual hourly emissions from each emission unit shall not exceed the allowable emissions listed in Table X-E-2 of the PSD Permit, based on a 3 hour rolling average for NO_x, PM_{10}, CO, SO_2, and VOCs, excluding periods of startup and shutdown and during specified periods of equipment shakedown prior to commercial operation. [EPA PSD Permit AZ-98-01, Condition X.E.2]

Table X-E-2 of the PSD Permit
Emission Unit Allowable Emissions (lb/h)

E/U ID	NO_x	CO[1]	SO_2	VOC	PM_{10}
01	22.4 24.0[a]	46.7 158.3[a]	4.47 4.72[a]	83.1	18.3 22.8[a]
02	22.4 24.0[a]	46.7 158.3[a]	4.47 4.72[a]	83.1	18.3 22.8[a]

[1] During startup periods, as defined below, allowable CO emissions will be 3,000 lbs/hr.
[a] These emission limits for NOx, CO, SO_2, 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.

3. The NO_x emissions from E/Us 01 and 02 shall not exceed 3.0 ppmvd @ 15 percent O_2 per unit, based on a 3 hour rolling average. [EPA PSD Permit AZ-98-01, Condition X.E.3, 40 CFR 60.332(a)(1)]

4. The CO emissions from E/Us 01 and 02 shall not exceed 10.0 ppmvd @ 15 percent O_2 and 35.0 ppmvd @ 15 percent O_2 per unit during base load operation and base load operation with duct firing and/or power augmentation with steam, respectively, based on a 3 hour rolling average. [EPA PSD Permit AZ-98-01, Condition X.E.4]

5. The PM_{10} emissions from E/U 01 and 02 shall not exceed 18.3 lbs/hr during normal operations and 22.8 lbs/hr during duct firing and/or power augmentation with steam. [EPA PSD Permit AZ-98-01, Condition X.E.5]

6. The emission limits in Conditions X-E-2 of the PSD Permit 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. [EPA PSD Permit AZ-98-01, Condition X.E.6]

II.B. Work Practice and Operational Requirements

1. The permittee shall not burn any fuel in the gas turbines which contains sulfur in excess of 0.8 percent by weight (8000 ppmw). [40 CFR § 60.333(b)]

2. The permittee shall install, continuously operate, and maintain the following air pollution controls and operations to minimize emissions at or below the levels specified in Condition X-E of the PSD Permit. The aforementioned "continuous" periods of operation do not include periods of startup, shutdown, and malfunction. [EPA PSD Permit AZ-98-01, Condition X.B.]

   a. The permittee shall install and continuously operate Selective Catalytic Reduction (SCR) systems on E/Us 01 and 02 for control of NO_x.

   b. The permittee shall use good combustion control operation on E/Us 01 and 02 for control of VOC emissions.

   c. The permittee shall use good combustion control operation on E/Us 01 and 02 for control of PM_{10} emissions. In addition, the permittee shall monitor and record the ammonia slip levels resulting from the operation of the SCR system using the CEM required in Condition II.B.3 of this permit. Thirty six months after commercial operations begin, and upon completion of the fourth performance test for PM_{10}, the permittee shall evaluate the relationship between PM_{10} emission levels and the degradation (if any) of ammonia slip levels to determine if substantial PM_{10} reductions can be achieved by replacing the SCR catalyst. This analysis shall be

submitted to EPA within 45 days from the completion of the PM_{10} source test. The permittee will be required to replace the SCR catalyst unless it can adequately demonstrate, based on the analysis, that no significant PM_{10} reductions would be gained by doing so. The permittee may request an extension of up to one year for catalyst replacement. EPA may grant an extension of up to one year if the analysis shows that there is no significant benefit to be gained with respect to PM_{10} emissions by replacing the SCR catalyst. If the extension is granted, the permittee may re-apply for additional extensions at the end of each extension period based on renewed analyses.

d. The permittee shall use Fuel Injection Timing Retardation on the diesel fire pump engine (E/U 04) to minimize NO_x emissions.

e. The permittee shall use good combustion control operation on the diesel fire pump engine (E/U 04) for control of CO, VOCs, and PM/PM_{10} emissions.

f. The permittee shall use a clean burn configuration on the emergency generator set (E/U 03), including a fuel rich combustion stoichiometry and burning natural gas exclusively for control of NO_x, CO, and VOCs emissions.

g. The permittee shall install and continuously operate high efficiency drift eliminators on the cooling tower (E/U 06) for control of PM/PM_{10} emissions.

3. The permittee shall restrict fuel use for the operation of the combustion turbines, supplemental duct firing, and the emergency generator (E/Us 01, 02, and 03) to pipeline quality natural gas. [EPA PSD Permit AZ-98-01, Condition X.C.1]

4. The Permittee shall restrict fuel use for the diesel fire pump engine (E/U 04) to that of No. 2 fuel oil with a maximum sulfur content of 0.05 percent by weight. [EPA PSD Permit AZ-98-01, Condition X.C.2]

5. E/Us 01 and 02 shall each operate no more than 8,760 hours per year. Operations using steam augmentation shall be limited to no more than 3,000 hours per year per turbine. [EPA PSD Permit AZ-98-01, Condition X.C.3]

6. The permittee shall restrict the operation of the emergency generator set E/U 03) to no more than 150 hours per year. [EPA PSD Permit AZ-98-01, Condition X.C.4]

7. The permittee shall restrict the operation of the diesel fire pump engine (E/U 04) to 60 minutes per 24 consecutive hours and no more than 50 hours per year. This restriction is not applicable during emergency situations. [EPA PSD Permit AZ-98-01, Condition X.C.5]

8. All equipment, facilities, and systems installed or used to achieve compliance with the terms and conditions of the PSD Permit shall at all times be maintained in good working order and be operated as intended so as to minimize air pollutant emissions to levels at or below those contained in Condition X-E of the PSD Permit. [EPA PSD Permit AZ-98-

01, Condition III.]

II.C. Acid Rain Program Requirements [40 CFR Parts 72-76]

1. The permittee shall comply with all the applicable requirements of the Acid Rain Permit Application located in Attachment A of this permit.

2. This permit incorporates the definitions of terms in 40 CFR § 72.2.

3. The Acid Rain Permit Application contained in Attachment A shall be in effect until the expiration of this permit.

4. A timely renewal application is an application that is received at least six months prior to the permit expiration date.

II.D. Monitoring and Testing Requirements

1. The permittee shall install, certify, and operate Continuous Emissions Monitoring Systems (CEMS) on E/Us 01 and 02, consisting of a NO_x concentration monitor, a CO concentration monitor, an NH_3 (ammonia) monitor, and an O_2 or CO_2 diluent gas monitor in accordance with the applicable provisions of 40 CFR Part 75, Acid Rain Program. [40 CFR § 60.8; EPA PSD Permit AZ-98-01, Condition X.D.1]

2. The permittee shall install, certify, and operate equipment to monitor the fuel flow to the combustion turbine generators and the duct burners in accordance with the applicable provisions of 40 CFR Part 75, Appendix D, Acid Rain Program. [EPA PSD Permit AZ-98-01, Condition X.D.2]

3. The permittee shall apply to the EPA Regional Administrator, not later than 45 days following the completion of all certification tests, to use fuel flow as the SO_2 measurement method in accordance with the applicable provisions of 40 CFR Part 75, Appendix D, Acid Rain Program. [EPA PSD Permit AZ-98-01, Condition X.D.3]

4. The permittee shall install, certify, and operate equipment to monitor the operating hours of the emergency generator set (E/U 03) and diesel fire pump engine (E/U 04). [EPA PSD Permit AZ-98-01, Condition X.D.4]

5. All CEMS shall undergo a performance evaluation to demonstrate that they meet the design and performance specifications, pass the field tests, and meet the installation requirements and the data analysis and reporting requirements specified in the applicable Performance Specifications of 40 CFR Part 75. (Appendix A). The CEMS performance evaluation shall be conducted prior to, during, or within thirty (30) days after the completion of the performance testing identified in Condition X-F of the PSD Permit. Results of the CEMS performance evaluation shall be submitted to the EPA Regional Administrator within sixty (60) days after completion. [EPA PSD Permit AZ-98-01, Condition X.D.5]

6. Within 60 days after achieving the maximum production rate of the affected emission units, but no later than 180 days after the initial startup of equipment (as defined in 40 CFR § 60.2), and at such other times as specified by the Regional Administrator, the owner/operator shall conduct or cause to be conducted performance tests (as described in 40 CFR § 60.8) for $NO_{x,}$ CO, SO_2, VOCs, and PM_{10} on the exhausts of E/Us 01, and 02. The performance tests shall be conducted to demonstrate compliance with the emission limits specified in Conditions X-E-2, X-E-3, X-E-4 and X-E-5 for E/Us 01 and 02. The tests for NO_x, SO_2, CO, VOC, and PM_{10} shall be conducted on an annual basis and at the maximum operating capacity of the facilities being tested, in both normal and duct firing and power augmentation with steam modes. Upon written request from Calpine, EPA may approve the conduct of performance tests at a lower specified production rate. After initial performance tests and upon written request and adequate justification from Calpine, EPA may waive a specified annual test for the facility. [EPA PSD Permit AZ-98-01, Condition X.F.1; 40 CFR § 60.335(b)]

7. Performance tests of the emissions of NO_x from the exhausts of E/Us 01 and 02 shall be conducted and results reported in accordance with the test procedures and methods set forth in 40 CFR § 60.8, 40 CFR Part 60 Subpart GG, and 40 CFR Part 60, Appendix A, Method 20. [EPA PSD Permit AZ-98-01, Condition X.F.2]

8. Performance tests of the emissions of CO from the exhausts of E/Us 01 and 02 shall be conducted and results reported in accordance with the test procedures and methods set forth in 40 CFR § 60.8 and 40 CFR Part 60, Appendix A, Method 10. [EPA PSD Permit AZ-98-01, Condition X.F.3]

9. Performance tests of the emissions of SO_2 from the exhausts of E/Us 01 and 02 shall be determined by fuel analysis in accordance with the procedures and methods set forth in 40 CFR § 60.8, 40 CFR Part 60 Subpart GG, and 40 CFR Part 60, Appendix A, Method 20. [EPA PSD Permit AZ-98-01, Condition X.F.4]

10. Performance tests of the emissions of VOCs from the exhausts of E/Us 01 and 02 shall be conducted and results reported in accordance with the test procedures and methods set forth in 40 CFR § 60.8 and 40 CFR Part 60, Appendix A, Methods 25A and 18. Method 18 may be used to determine the methane fraction to subtract from Method 25A's total hydrocarbons. [EPA PSD Permit AZ-98-01, Condition X.F.5]

11. Performance tests of the emissions of PM_{10} from the exhausts of E/Us 01 and 02 shall be conducted and results reported in accordance with the test procedures and methods set forth in 40 CFR § 60.8, 40 CFR Part 60, Appendix A, and 40 CFR 51, Appendix M, Methods 5 or 201A (front-half) and Method 202 (condensable portion). [EPA PSD Permit AZ-98-01, Condition X.F.6]

12. Thirty (30) days prior to such performance tests, the EPA Regional Administrator shall be notified in writing of the proposed date of the performance dates, and a performance testing protocol shall be submitted for approval. In lieu of the aforementioned performance test methods, equivalent methods may be used with prior written approval from the EPA Regional Administrator. [EPA PSD Permit AZ-98-01, Condition X.F.7]

13. For performance test purposes, sampling ports, platforms, and accesses shall be provided on E/Us 01, and 02 exhaust systems in accordance with 40 CFR § 60.8(e). [EPA PSD Permit AZ-98-01, Condition X.F.8]

14. Monitoring of fuel nitrogen content shall not be required while natural gas is the only fuel fired in the gas turbine. [40 CFR § 60.334]

15. The fuel sulfur content of the natural gas fired in the gas turbine shall not exceed 20 grains/100 scf. The Permittee shall demonstrate compliance by: [40 CFR § 60.334(h)]

    a. Representative fuel sampling data as specified in section 2.3.1.4 or 2.3.2.4 of Appendix D to 40 CFR Part 75.

        i. On-going sampling of the fuel's sulfur content is required annually and whenever the fuel supply source changes.

        ii. "Annual" sampling is defined as taking at least one sample within each calendar year.

II.E. Recordkeeping Requirements

1. A file shall be maintained of all measurements including continuous monitoring system evaluations, all continuous monitoring system or monitoring device calibration checks, adjustments and maintenance performed on these systems or devices, performance and all other information required by 40 CFR Parts 60 or 75 recorded in a permanent form suitable for inspection. The file shall be retained for at least five (5) years following the date of such measurement, maintenance, reports, and records. [40 CFR § 71.6(a)(3)(ii); 40 CFR § 60.7(f); EPA PSD Permit AZ-98-01, Condition X.G.1]

2. The permittee shall record and maintain records of the daily operating hours of the diesel fire pump and the 12 month rolling operating hours of the diesel fire pump and emergency generator set. [EPA PSD Permit AZ-98-01, Condition X.G.2]

3. A written report of excess emission shall be submitted to the EPA Regional Administrator postmarked by the 30th day following each semi-annual period. The report shall include the following: [EPA PSD Permit AZ-98-01, Condition X.G.3]

    a. The magnitude of excess emissions computed in accordance with 40 CFR § 60.13(h), any conversion factor(s) used, and the date and time of commencement and completion of each event of excess emissions.

    b. Specific identification of each period of excess emissions that occurs during startups, shutdown, and malfunctions of the turbine systems. The nature and cause of any malfunction (if known) and the corrective action taken or preventative measures adopted shall also be reported.

c. The date and time identifying each period during which a CEMS was inoperative, repaired, or adjusted, except for zero and span checks.

d. When no excess emissions have occurred or the CEMS have not been inoperative, repaired, or adjusted, such information shall be stated in the report.

e. Excess emissions shall be defined as emissions exceeding the allowable emission limits contained in Condition X-E of the PSD Permit, as determined by the compliance methods listed in Condition X-F of the PSD Permit.

4. The facility is subject to the recordkeeping and reporting requirements of the applicable New Source Performance Standards (NSPS) 40 CFR Part 60, as described in Condition X-H of the PSD Permit. [EPA PSD Permit AZ-98-01, Condition X.G.4]

5. Records of sample analysis and fuel supply shall be retained for a period of five years, and be available for inspection by authorized EPA personnel. [40 CFR § 60.334]

II.F. Reporting Requirements

1. The EPA Regional Administrator shall be notified by facsimile or electronic mail transmission within two (2) working days following the discovery any failure of air pollution control equipment, process equipment, or of a process to operate in a normal manner, which results in an increase in emissions above any allowable emission limit stated in Condition X-E of the PSD Permit. In addition, the Regional Administrator shall be notified in writing within fifteen (15) days of the discovery any such failure. The notification shall include a description of the malfunctioning equipment or abnormal operation, the date of the initial malfunction, the period of time over which emissions were increased due to the failure, the cause of the failure, the estimated resultant emissions in excess of those allowed under Condition X-E of the PSD Permit, and the methods utilized to mitigate emissions and restore normal operations. Compliance with this malfunction notification provision shall not excuse or otherwise constitute a defense to any violation of this permit or of any law or regulation that such malfunction may cause, except as provided for in Condition IV-B of the PSD Permit. [EPA PSD Permit AZ-98-01, Condition IV.A]

II.G. New Source Performance Standards General Provisions

The following requirements apply to the operation, maintenance, and testing of the gas turbines in accordance with 40 CFR Part 60, Subpart GG ("Standards of Performance for Stationary Gas Turbines"):

1. All requests, reports, applications, submittals, and other communications to the Administrator pursuant to 40 CFR Part 60 shall be submitted in duplicate to the EPA Region IX office at the following address [40 CFR § 60.4(a); EPA PSD Permit AZ-98-01, Condition X.I]:

   U.S. EPA Region IX

Director, Air Division (Attn: AIR-1)
75 Hawthorne Street
San Francisco, CA 94105

2. Any owner or operator subject to the provisions of this part shall maintain records of the occurrence and duration of any startup, shutdown, or malfunction in the operation of an affected facility; any malfunction of the air pollution control equipment; or any periods during which a continuous monitoring system or monitoring device is inoperative. [40 CFR § 60.7(b)]

3. The availability to the public of information provided to, or otherwise obtained by, the EPA Administrator under this permit shall be governed by 40 CFR Part 2. (Information submitted voluntarily to the Administrator for the purposes of compliance with 40 CFR §§ 60.5 and 60.6 is governed by 40 CFR §§ 2.201 through 2.213 and not by 40 CFR § 2.301.) [40 CFR § 60.9]

4. Compliance with the fuel sulfur standard listed in Condition II.B.1 of this permit shall be determined in accordance with performance tests established by 40 CFR § 60.8. [40 CFR § 60.11(a)]

5. At all times, including periods of startup, shutdown, and malfunction, the permittee shall, to the extent practicable, maintain and operate this facility including associated air pollution control equipment in a manner consistent with good air pollution control practice for minimizing emissions. Determination of whether acceptable operating and maintenance procedures are being used will be based on information available to the Administrator which may include, but is not limited to, monitoring results, opacity observations, review of operating and maintenance procedures, and inspection of the source. [40 CFR § 60.11(d)]

6. For the purpose of submitting compliance certifications or establishing whether or not a person has violated or is in violation of any standard in 40 CFR Part 60, nothing shall preclude the use, including the exclusive use, of any credible evidence or information, relevant to whether a source would have been in compliance with applicable requirements if the appropriate performance or compliance test or procedure had been performed. [40 CFR § 60.11(g)]

7. No owner or operator subject to the provisions 40 CFR Part 60 shall build, erect, install, or use any article, machine, equipment or process, the use of which conceals an emission which would otherwise constitute a violation of an applicable standard. Such concealment includes, but is not limited to, the use of gaseous diluents to achieve compliance with an opacity standard or with a standard which is based on the concentration of a pollutant in the gases discharged to the atmosphere. [40 CFR § 60.12]

8. With respect to compliance with all New Source Performance Standards (NSPS) of 40 CFR Part 60, the permittee shall comply with the “General notification and reporting requirements” found in 40 CFR § 60.19. [40 CFR § 60.19]

II.H. New Source Performance Standards [EPA PSD Permit AZ-98-01, Condition X.H]

The facility's combustion turbines and duct burners are subject to the federal New Source Performance Standards (NSPS) 40 CFR Part 60, Subparts GG and Dc, respectively, as well as the general provisions of Subpart A. The owner/operator shall meet the applicable requirements of the aforementioned NSPS subparts.

II.I. Operational Flexibility

1. CAA Section 502(b)(10) Changes [40 CFR § 71.6(a)(13)(i)]

    a. The permittee is allowed to make a limited class of changes under Section 502(b)(10) of the Clean Air Act within this permitted facility that contravene the specific terms of this permit without applying for a permit revision, provided the changes do not exceed the emissions allowable under this permit (whether expressed therein as a rate of emissions or in terms of total emissions) and are not Title I modifications. This class of changes does not include:

        i. Changes that would violate applicable requirements; or

        ii. Changes that would contravene federally enforceable permit terms and conditions that are monitoring (including test methods), recordkeeping, reporting, or compliance certification requirements.

2. The permittee is required to send a notice to EPA at least 7 days in advance of any change made under this provision. The notice must describe the change, when it will occur and any change in emissions, and identify any permit terms or conditions made inapplicable as a result of the change. The permittee shall attach each notice to its copy of this permit.

3. Any permit shield provided in this permit does not apply to changes made under this provision.

III. Facility-Wide or Generic Permit Requirements

Conditions in this section of the permit (Section IV) apply to all emissions units located at the facility. [40 CFR § 71.6(a)(1)]

III.A. Testing Requirements [40 CFR § 71.6(a)(3)]

In addition to the unit specific testing requirements derived from the applicable requirements for each individual unit contained in Section II of this permit, the permittee shall comply with the following generally applicable testing requirements as necessary to ensure that the required tests are sufficient for compliance purposes:

1. Submit to EPA a source test plan 30 days prior to any required testing. The source test plan shall include and address the following elements:

1.0 Purpose of the test
2.0 Source Description and Mode of Operation During Test
3.0 Scope of Work Planned for Test
4.0 Schedule/Dates
5.0 Process Data to be Collected During Test
6.0 Sampling and Analysis Procedures
    6.1 Sampling Locations
    6.2 Test Methods
    6.3 Analysis Procedures and Laboratory Identification

7.0 Quality Assurance Plan
    7.1 Calibration Procedures and Frequency
    7.2 Sample Recovery and Field Documentation
    7.3 Chain of Custody Procedures
    7.4 QA/QC Project Flow Chart

8.0 Data Processing and Reporting
    8.1 Description of Data Handling and QC Procedures
    8.2 Report Content

2. Unless otherwise specified by an applicable requirement or permit condition in Section II, all source tests shall be performed at maximum operating rates (90% to 110%) of device design capacity).

3. Only regular operating staff may adjust the processes or emission control device parameters during a compliance source test. No adjustments are to made within two (2) hours of the start of the tests. Any operating adjustments made during a source test, that are a result of consultation during the tests with source testing personnel, equipment vendors, or consultants, may render the source test invalid.

4. During each test run and for two (2) hours prior to the test and two (2) hours after the completion of the test, the permittee shall record the following information:

    a. Fuel characteristics and/or amount of product processed (if applicable).

    b. All parametric data which is required to be monitored in Section II for the emission unit being tested.

    c. Other source specific data identified in Section II such as minimum test length (e.g., one hour, 8 hours, 24 hours, etc.), minimum sample volume, other operating conditions to be monitored, correction of O_2, etc.

5. Each source test shall consist of at least three (3) valid test runs and the emission results shall be reported as the arithmetic average of all valid test runs and in the terms of the emission limit. There must be at least 3 valid test runs, unless otherwise specified.

6. Source test reports shall be submitted to EPA within 60 days of completing any required source test.

III.B. Recordkeeping Requirements [40 CFR § 71.6 (a)(3)(ii)]

In addition to the unit specific recordkeeping requirements derived from the applicable requirements for each individual unit and contained in Section II, the permittee shall comply with the following generally applicable recordkeeping requirements:

1. The permittee shall keep records of required monitoring information that include the following:

    a. The date, place, and time of sampling or measurements;

    b. The date(s) analyses were performed;

    c. The company or entity that performed the analyses;

    d. The analytical techniques or methods used;

    e. The results of such analyses; and

    f. The operating conditions as existing at the time of sampling or measurement.

2. The permittee shall retain records of all required monitoring data and support information for a period of at least 5 years from the date of the monitoring sample, measurement, report, or application. Support information includes all calibration and maintenance records, all original strip-chart recordings for continuous monitoring instrumentation, and copies of all reports required by this permit.

III.C. Reporting Requirements [40 CFR § 71.6 (a)(3)(iii)]

1. The permittee shall submit to EPA Region IX reports of any monitoring required under 40 CFR §§ 71.6(a)(3)(i)(A), (B), or (C) each six month reporting period from January 1 to June 30 and from July 1 to December 31. All reports shall be submitted to EPA and shall be postmarked by the 30th day following the end of the reporting period. All instances of deviations from permit requirements must be clearly identified in such reports. All required reports must be certified by a responsible official consistent with Condition IV.E of this permit.

    a. A monitoring report under this section must include the following:

        1) The company name and address,

        2) The beginning and ending dates of the reporting period,

        3) The emissions unit or activity being monitored

4) The emissions limitation or standard, including operational requirements and limitations (such as parameter ranges), specified in the permit for which compliance is being monitored.

5) All instances of deviations from permit requirements, including those attributable to upset conditions as defined in the permit and including exceedances as defined under 40 CFR Part 64, and the date on which each deviation occurred.

6) If the permit requires continuous monitoring of an emissions limit or parameter range, the report must include the total operating time of the emissions unit during the reporting period, the total duration of excess emissions or parameter exceedances during the reporting period, and the total downtime of the continuous monitoring system during the reporting period.

7) If the permit requires periodic monitoring, visual observations, work practice checks, or similar monitoring, the report shall include the total time when such monitoring was not performed during the reporting period and at the source's discretion either the total duration of deviations indicated by such monitoring or the actual records of deviations.

8) All other monitoring results, data, or analyses required to be reported by the applicable requirement.

9) The name, title, and signature of the responsible official who is certifying to the truth, accuracy, and completeness of the report.

b. Any report required by an applicable requirement that provides the same information described in Conditions III.C.1.a(1) through (9) above shall satisfy the requirement under Condition III.C.1.a.

c. "Deviation" means any situation in which an emissions unit fails to meet a permit term or condition. A deviation is not always a violation. A deviation can be determined by observation or through review of data obtained from any testing, monitoring, or record keeping established in accordance with 40 CFR §§ 71.6(a)(3)(i) and (a)(3)(ii). For a situation lasting more than 24 hours, each 24-hour period is considered a separate deviation. Included in the meaning of deviation are any of the following:

i. A situation when emissions exceed an emission limitation or standard;

ii. A situation where process or emissions control device parameter values indicate that an emission limitation or standard has not been met;

iii. A situation in which observations or data collected demonstrate noncompliance with an emission limitation or standard or any work

practice or operating condition required by the permit.

iv. A situation in which an exceedance, as defined in the compliance assurance plan (40 CFR Part 64), occurs.

2. The permittee shall promptly report to the EPA Regional Office deviations from permit or start-up, shut-down malfunction plan requirements, including those attributable to upset conditions as defined in this permit, the probable cause of such deviations, and any corrective actions or preventive measures taken. "Prompt" is defined as follows:

   a. Any definition of "prompt" or a specific timeframe for reporting deviations provided in an underlying applicable requirement as identified in this permit;

   b. Where the underlying applicable requirement does not define prompt or provide a timeframe for reporting deviations, reports of deviations will be submitted based on the following schedule:

      i. For emissions of a hazardous air pollutant or a toxic air pollutant (as identified in the applicable regulation) that continue for more than an hour in excess of permit requirements, the report must be made within 24 hours of the occurrence.

      ii. For emissions of any regulated pollutant excluding a hazardous air pollutant or a toxic air pollutant that continue for more than two hours in excess of permit requirements, the report must be made within 48 hours.

      iii. For all other deviations from permit requirements, the report shall be submitted with the semi-annual monitoring report required in Condition III.B.1 of this permit.

3. If any of the conditions of Condition IV.C.2.b of this permit are met, the source must notify the permitting authority by facsimile or electronic mail sent to r9.aeo@epa.gov, based on the timetable listed. A written notice, certified consistent with Condition III.C.4 of this permit section must be submitted within 10 working days of the occurrence. All deviations reported under this section must also be identified in the 6-month report required under Condition III.C.1 of this section of the permit.

4. Any application form, monitoring report, or compliance certification required to be submitted by this permit shall contain certification by the permit-designated responsible official of truth, accuracy and completeness consistent with Condition IV.E of this permit and 40 CFR § 71.5(d). All certifications shall state that, based on information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate, and complete.

III.D. Stratospheric Ozone and Climate Protection [40 CFR Part 82]

1. The permittee shall comply with the standards for recycling and emissions reduction

pursuant to 40 CFR Part 82, Subpart F, except as provided for motor vehicle air conditioners (MVACs) in Subpart B:

a. Persons opening appliances for maintenance, service, repair, or disposal must comply with the required practices pursuant to 40 CFR § 82.156.

b. Equipment used during the maintenance, service, repair, or disposal of appliances must comply with the standards for recycling and recovery equipment pursuant to 40 CFR § 82.158.

c. Persons performing maintenance, service, repair, or disposal of appliances must be certified by an approved technician certification program pursuant to 40 CFR § 82.161.

d. Persons disposing of small appliances, MVACs, and MVAC-like appliances must comply with recordkeeping requirements pursuant to 40 CFR § 82.166. ("MVAC-like appliance" as defined at 40 CFR § 82.152)

e. Persons owning commercial or industrial process refrigeration equipment must comply with the leak repair requirements pursuant to 40 CFR § 82.156.

f. Owners/operators of appliances normally containing 50 or more pounds of refrigerant must keep records of refrigerant purchased and added to such appliances pursuant to 40 CFR § 82.166.

2. If the permittee manufactures, transforms, destroys, imports, or exports a class I or class II substance, the permittee is subject to all the requirements as specified in 40 CFR Part 82, Subpart A, Production and Consumption Controls.

3. If the permittee performs a service on motor (fleet) vehicles when this service involves ozone-depleting substance refrigerant (or regulated substitute substance) in the MVAC, the permittee is subject to all the applicable requirements as specified in 40 CFR Part 82, Subpart B, Servicing of Motor Vehicle Air Conditioners.

   The term "motor vehicle" as used in Subpart B does not include a vehicle in which final assembly of the vehicle has not been completed. The term "MVAC" as used in Subpart B does not include the air-tight sealed refrigeration system used as refrigerated cargo, or system used on passenger buses using HCFC-22 refrigerant.

4. The permittee shall be allowed to switch from any ozone-depleting substance to any alternative that is listed in the Significant New Alternatives Program (SNAP) promulgated pursuant to 40 CFR Part 82, Subpart G.

III.E. Chemical Accident Prevention [CAA §§ 112(r)(1), 112(r)(3), and 112(r)(7); 40 CFR Part 68]

1. The following activities are considered essential and necessary to satisfy the general duty

requirements of Section 112(r)(1) of the CAA:

a. Identify hazards which may result from accidental releases using appropriate hazard assessment techniques.

b. Design, maintain, and operate a safe facility.

c. Minimize the consequences of accidental releases if they occur.

2. An owner or operator of a stationary source that has more than a threshold quantity of a regulated substance in a process, as determined under 40 CFR § 68.115, shall comply with the requirements of the Chemical Accident Prevention Provisions at 40 CFR Part 68 no later than the latest of the following dates:

a. June 21, 1999;

b. Three years after the date on which a regulated substance is first listed under 40 CFR § 68.130; or

c. The date on which a regulated substance is first present above a threshold quantity in a process. [40 CFR § 68.10.]

III.F. Asbestos from Demolition and Renovation [40 CFR Part 61, Subpart M]

The permittee shall comply with the requirements of 40 CFR §§ 61.140 through 61.157 of the National Emission Standard for Asbestos for all demolition and renovation projects.
[40 CFR Part 61, Subpart M]

III.G. Compliance Schedule [40 CFR §§ 71.5(c)(8)(iii) and 71.6(c)(3)]

1. For applicable requirements with which the source is in compliance, the source will continue to comply with such requirements.

2. For applicable requirements that will become effective during the permit term, the source shall meet such requirements on a timely basis.

III.H. Treatment of Emissions [EPA PSD Permit AZ-98-01, Conditions IV.B.1 through IV.B.5]

1. Definition of malfunction: A malfunction means a sudden and reasonably unforeseeable breakdown of equipment or of a process beyond the reasonable control of the source.

2. Emissions in excess of the limits in Condition X-E of the PSD Permit shall constitute a violation and may be the subject of enforcement proceedings.

3. Affirmative defense: In the context of an enforcement proceeding, emissions which are below the limits set forth in this Condition IV(B)(3)(ii) of the permit shall not be subject

to penalty if the permittee retains properly signed, contemporaneous operating logs or other relevant evidence and can demonstrate all of the following:

a. A malfunction caused the emissions in excess of the limits in Condition X-E of the PSD Permit.

b. The emissions did not exceed the following levels:

30 ppm NOx (1-hour average, corrected to 15% O_2)
20 ppm CO (3-hour average, corrected to 15% O_2)
240.0 lbs/hr NOx (1-hour average)
93.4 lbs/hr CO (3-hour average)

c. The permitted facility, including the air pollution control equipment and process equipment, was being properly operated at the time of the malfunction.

d. Preventative maintenance was regularly performed in a manner consistent with good practice for minimizing emissions.

e. The malfunction was not part of a recurring pattern indicative of inadequate design, operation or maintenance.

f. The malfunction was not caused by improperly or inadequately designed equipment, lack of preventative maintenance, careless or improper operation, or operator error.

g. During the period of the malfunction the permittee took all reasonable steps to minimize the amount and duration of emissions (including any bypass) that exceeded the emission standards in Condition X-E of the PSD Permit. Reasonable steps to minimize emissions could include, but are not limited to, reducing production to the lowest level practicable, reducing the material feed that results in the increased emissions, and switching to alternative, less polluting fuels. Where repairs were required, repairs were made in an expeditious fashion when the operator knew or should have known that applicable emission limitations were being exceeded. Off-shift labor and overtime must have been utilized, to the extent practicable, to ensure that such repairs were made as expeditiously as possible.

h. The permittee complied with the malfunction reporting requirements of Condition IV-A of the PSD Permit.

4. All emissions, including those associated with a malfunction which may be eligible for an affirmative defense, must be included in all emissions calculations and demonstrations of compliance with mass emission limits in Condition X-E of the PSD Permit (e.g., daily, monthly, and annual emission limits).

5. This provision is in addition to any emergency or malfunction provision contained in any

applicable requirement or elsewhere in this permit.

III.I. Other Applicable Regulations [EPA PSD Permit AZ-98-01, Condition VIII]

The owner and operator of the proposed facility shall construct and operate the proposed stationary source in compliance with all other applicable provisions of 40 CFR Parts 52, 60, 62, 63, and all other applicable federal, state, and local air quality regulations.

IV. Title V Administrative Requirements

IV.A. Fee Payment [40 CFR §§ 71.6(a)(7) and 71.9]

1. The permittee shall pay an annual permit fee in accordance with the procedures outlined below. [40 CFR § 71.9(a).]

2. The permittee shall pay the annual permit fee by April 1 of each year.

3. The fee payment shall be in United States currency and shall be paid by money order, bank draft, certified check, corporate check, or electronic funds transfer payable to the order of the U.S. Environmental Protection Agency.

4. The permittee shall send fee payment and a completed fee filing form to one of the two addresses below:

   Address for regular mail through the U.S. Postal Service

   U.S. Environmental Protection Agency
   FOIA and Miscellaneous Payments
   Cincinnati Finance Center
   P.O. Box 979078
   St. Louis, MO 63197-9000

   Address for express delivery (or when a physical address is required)

   U.S. Bank
   Government Lockbox 979078 US EPA FOIA & Misc. Payments
   1005 Convention Plaza
   Mail Station SL-MO-C2GL
   St. Louis, MO 63101

5. The permittee shall send an updated fee calculation worksheet form and a photocopy of each fee payment check (or other confirmation of actual fee paid) submitted annually by the same deadline as required for fee payment to the address listed below. [Permittee should note that an annual emissions report, required at the same time as the fee calculation worksheet by 40 CFR § 71.9(h), has been incorporated into the fee calculation worksheet form as a convenience.]

U.S. EPA Region IX
Air Permits Office (Attn: AIR-3)
75 Hawthorne Street
San Francisco, CA 94105

6. Basis for calculating annual fee:

   a. The annual emissions fee shall be calculated by multiplying the total tons of actual emissions of all "regulated pollutants (for fee calculation)" emitted from the source by the presumptive emissions fee (in dollars/ton) in effect at the time of calculation.

      i. "Actual emissions" means the actual rate of emissions in tpy of any regulated pollutant (for fee calculation) emitted from a Part 71 source over the preceding calendar year. Actual emissions shall be calculated using each emissions unit§s actual operating hours, production rates, in-place control equipment, and types of materials processed, stored, or combusted during the preceding calendar year. [See §71.9(c)(6).]

      ii. Actual emissions shall be computed using methods required by the permit for determining compliance, such as monitoring or source testing data. [40 CFR § 71.9(h)(3).]

      iii. If actual emissions cannot be determined using the compliance methods in the permit, the permittee shall use other federally recognized procedures. [40 CFR § 71.9(e)(2).]

      iv. The term "regulated pollutant (for fee calculation)" is defined in 40 CFR § 71.2.

      v. The permittee should note that the presumptive fee amount is revised each calendar year to account for inflation, and it is available from EPA prior to the start of each calendar year.

   b. The permittee shall exclude the following emissions from the calculation of fees:

      i. The amount of actual emissions of each regulated pollutant (for fee calculation) that the source emits in excess of 4,000 tons per year. [40 CFR § 71.9(c)(5)(i)];

      ii. Actual emissions of any regulated pollutant (for fee calculation) already included in the fee calculation [40 CFR § 71.9(c)(5)(ii)]; and

      iii. The quantity of actual emissions (for fee calculation) of insignificant activities, as defined in 40 CFR § 71.5(c)(11)(i), or of insignificant emissions levels from emissions units identified in the permittee's application pursuant 40 CFR § 71.5(c)(11)(ii). [See 40 CFR

§ 71.9(c)(5)(iii).]

7. Fee calculation worksheets shall be certified as to truth, accuracy, and completeness by a responsible official. [permittee should note that the fee calculation worksheet form already incorporates a section to help you meet this responsibility.]

8. The permittee shall retain fee calculation worksheets and other emissions-related data used to determine fee payment for five (5) years following submittal of fee payment. Emission-related data include, for example, emissions-related forms provided by EPA and used by the permittee for fee calculation purposes, emissions-related spreadsheets, and emissions-related data, such as records of emissions monitoring data and related support information required to be kept in accordance with 40 CFR § 71.6(a)(3)(ii). [40 CFR § 71.9(i).]

9. Failure of the permittee to pay fees in a timely manner shall subject the permittee to assessment of penalties and interest in accordance with 40 CFR § 71.9(l).

10. When notified by EPA of underpayment of fees, the permittee shall remit full payment within 30 days of receipt of notification. [See 40 CFR §§ 71.9(j)(1) and (2).]

11. A permittee who thinks an EPA assessed fee is in error and who wishes to challenge such fee, shall provide a written explanation of the alleged error to EPA along with full payment of the EPA assessed fee. [See 40 CFR § 71.9(j)(3).]

IV.B. Blanket Compliance Statement [40 CFR §§ 71.6(a)(6)(i) and (ii); Sections 113(a) and 113(e)(1) of the CAA; 40 CFR § 51.212, 52.12, 52.33, 60.11(g), and 61.12.]

1. The permittee must comply with all conditions of this Part 71 permit. Any permit noncompliance, including, but not limited to, violation of any applicable requirement; any permit term or condition; any fee or filing requirement; any duty to allow or carry out inspection, entry, or monitoring activities; or any regulation or order issued by the permitting authority pursuant to this part constitutes a violation of the Clean Air Act and is grounds for enforcement action; permit termination, revocation and reissuance, or modification; or for denial of a permit renewal application. It shall not be a defense for a permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this permit. [40 CFR § 71.6(a)(6)(i) and (ii).]

2. Determinations of deviations, continuous or intermittent compliance status, or violations of this permit, are not limited to the applicable testing or monitoring methods required by the underlying regulations or this permit; other credible evidence (including any evidence admissible under the Federal Rules of Evidence) must be considered in such determinations. [Section 113(a) and 113(e)(1) of the CAA; 40 CFR §§5 1.212, 52.12, 52.33, 60.11(g), and 61.12.]

IV.C. Compliance Certifications [40 CFR § 71.6(c)(5)]

1. The permittee shall submit to EPA Region IX a certification of compliance with permit terms and conditions, including emission limitations, standards, or work practices, postmarked by January 30 of each year and covering the previous calendar year. The compliance certification shall be certified as to truth, accuracy, and completeness by the permit-designated responsible official consistent with Condition IV.E. of this permit and 40 CFR § 71.5(d). [40 CFR § 71.6(c)(5)]

2. The certification shall include the following:

    a. Identification of each permit term or condition that is the basis of the certification.

    b. Identification of the method(s) or other means used for determining the compliance status of each term and condition during the certification period, and whether such methods or other means provide continuous or intermittent data. If necessary, the owner or operator also shall identify any other material information that must be included in the certification to comply with Section 113(c)(2) of the CAA, which prohibits knowingly making a false certification or omitting material information.

    c. The compliance status of each term and condition of the permit for the period covered by the certification based on the method or means designated above. The certification shall identify each deviation and take it into account in the compliance certification.

    d. Whether compliance with each permit term was continuous or intermittent.

IV.D. Duty to Provide and Supplement Information [40 CFR §§ 71.6(a)(6)(v) and 71.5(b)]

The permittee shall furnish to EPA, within a reasonable time, any information that EPA may request in writing to determine whether cause exists for modifying, revoking, and reissuing, or terminating the permit, or to determine compliance with the permit. Upon request, the permittee shall also furnish to the EPA copies of records that are required to be kept pursuant to the terms of the permit, including information claimed to be confidential. Information claimed to be confidential should be accompanied by a claim of confidentiality according to the provisions of 40 CFR Part 2, Subpart B. The permittee, upon becoming aware that any relevant facts were omitted or incorrect information was submitted in the permit application, shall promptly submit such supplementary facts or corrected information. The permittee shall also provide additional information as necessary to address any requirements that become applicable to the facility after this permit is issued.

IV.E. Submissions [40 CFR §§ 71.5(d), 71.6, and 71.9; EPA PSD Permit AZ-98-01, Condition X.I]

Any document required to be submitted with this permit shall be certified by a responsible official as to truth, accuracy, and completeness. Such certifications shall state that based on information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate, and complete. All documents required to be submitted, including

reports, test data, monitoring data, notifications, compliance certifications, fee calculation worksheets, and applications for renewals and permit modifications shall be submitted to:

U.S. EPA Region IX (Attn: AIR-1)
75 Hawthorne Street
San Francisco, CA 94105

IV.F. Severability Clause [40 CFR § 71.6(a)(5); EPA PSD Permit AZ-98-01, Condition VII.]

The provisions of this permit are severable, and in the event of any challenge to any portion of this permit, or if any portion is held invalid, the remaining permit conditions shall remain valid and in force.

IV.G. Permit Actions [40 CFR § 71.6(a)(6)(iii)]

This permit may be modified, revoked, reopened, and reissued, or terminated for cause. The filing of a request by the permittee for a permit modification, revocation and reissuance, or termination, or of a notification of planned changes or anticipated noncompliance does not stay any permit condition.

IV.H. Reopening for Cause [40 CFR §71.7(f)]

1. EPA shall reopen and revise the permit prior to expiration under any of the following circumstances:

    a. Additional applicable requirements under the Act become applicable to a major Part 71 source with a remaining permit term of three (3) or more years.

    b. Additional requirements (including excess emissions requirements) become applicable to an affected source under the acid rain program. Upon approval by the Administrator, excess emissions offset plans shall be deemed to be incorporated into the permit.

    c. EPA determines that the permit contains a material mistake or that inaccurate statements were made in establishing the emissions standards or other terms or conditions of the permit.

    d. EPA determines that the permit must be revised or revoked to assure compliance with the applicable requirements.

IV.I. Property Rights [40 CFR § 71.6(a)(6)(iv)]

This permit does not convey any property rights of any sort, or any exclusive privilege.

IV.J. Inspection and Entry [40 CFR § 71.6(c)(2); EPA PSD Permit AZ-98-01, Condition V.]

Upon presentation of credentials and other documents as may be required by law, the permittee

shall allow authorized representatives from EPA to perform the following:

1. Enter upon the permittee's premises where a Part 71 source is located or emissions-related activity is conducted, or where records must be kept under the conditions of the permit;

2. Have access to and copy, at reasonable times, any records that must be kept under the conditions of the permit;

3. Inspect at reasonable times any facilities, equipment (including monitoring and air pollution control equipment), practices, or operations regulated or required under the permit; and

4. As authorized by the Clean Air Act, sample or monitor at reasonable times substances or parameters for the purpose of assuring compliance with the permit or applicable requirements.

IV.K. Emergency Provisions [40 CFR § 71.6(g)]

1. In addition to any emergency or upset provision contained in any applicable requirement, SPEC may seek to establish that noncompliance with a technology-based emission limitation under this permit was due to an emergency. To do so, SPEC shall demonstrate the affirmative defense of emergency through properly signed, contemporaneous operating logs, or other relevant evidence that:

    a. an emergency occurred and that SPEC can identify the cause(s) of the emergency;

    b. the permitted facility was at the time being properly operated;

    c. during the period of the emergency SPEC took all reasonable steps to minimize levels of emissions that exceeded the emissions standards, or other requirements in this permit; and

    d. SPEC submitted notice of the emergency to EPA within two (2) working days of the time when emission limitations were exceeded due to the emergency. This notice must contain a description of the emergency, any steps taken to mitigate emissions, and corrective actions taken. This notice fulfills the requirements of Condition III.C(b) of this permit.

    e. In any enforcement proceeding in which SPEC attempts to establish the occurrence of an emergency, SPEC has the burden of proof.

2. An "emergency" means any situation arising from sudden and reasonably unforeseeable events beyond the control of the source, including acts of God, which situation requires immediate corrective action to restore normal operation, and that causes the source to exceed a technology-based emission limitation under the permit due to unavoidable increases in emissions attributable to the emergency. An emergency shall not include

noncompliance to the extent caused by improperly designed equipment, lack of preventive maintenance, careless or improper operation, or operator error.

IV.L. Transfer of Ownership or Operation

1. A change in ownership or operational control of this facility may be treated as an administrative permit amendment if the EPA determines no other change in this permit is necessary and provided that a written agreement containing a specific date for transfer of permit responsibility, coverage, and liability between the current and new permittee has been submitted to EPA. [40 CFR § 71.7(d)(1)(iv)]

2. In the event of any changes in control or ownership of the facilities to be constructed, the PSD Permit shall be binding on all subsequent owners and operators. The applicant shall notify the succeeding owner and operator of the existence of the PSD Permit and its conditions by letter, a copy of which shall be forwarded to the EPA Regional Administrator. [EPA PSD Permit AZ-98-01, Condition VI.]

IV.M. Off Permit Changes [40 CFR §71.6(a)(12)]

1. The permittee is allowed to make certain changes without a permit revision, provided that the following requirements are met:

2. Each change is not addressed or prohibited by this permit.

3. Each change must comply with all applicable requirements and may not violate any existing permit term or condition;

4. Changes under this provision may not include changes or activities subject to any requirement under Title IV or that are modifications under any provision of Title I of the Clean Air Act;

5. The permittee must provide contemporaneous written notice to EPA of each change, except for changes that qualify as insignificant activities under 40 CFR § 71.5(c)(11). The written notice must describe each change, the date of the change, any change in emissions, pollutants emitted, and any applicable requirements that would apply as a result of the change.

6. The permit shield does not apply to changes made under this provision;

7. The permittee must keep a record describing all changes that result in emissions of any regulated air pollutant subject to any applicable requirement not otherwise regulated under this permit, and the emissions resulting from those changes.

IV.N. Permit Expiration and Renewal [40 CFR §§ 71.5(a)(1)(iii), 71.6(a)(11), 71.7(b), 71.7(c)(1)(i) and (ii), and 71.8(d)]

1. This permit shall expire five (5) years from the date of issuance.

2. Expiration of this permit terminates the permittee's right to operate unless a timely and complete permit renewal application has been submitted on or before a date 6 months, but not more than 18 months, prior to the date of expiration of this permit.

3. If the permittee submits a timely and complete permit application for renewal, consistent with 40 CFR § 71.5(a)(2), but the permitting authority has failed to issue or deny the renewal permit, then the permit shall not expire until the renewal permit has been issued or denied and any permit shield granted pursuant to 40 CFR § 71.6(f) may extend beyond the original permit term until renewal. The permittee's failure to have a Part 71 permit is not a violation of this part until EPA takes final action on the permit renewal application. This protection shall cease to apply if, subsequent to the completeness determination, the permittee fails to submit any additional information identified as being needed to process the application by the deadline specified in writing by EPA.

4. Renewal of this permit is subject to the same procedural requirements that apply to initial permit issuance, including those for public participation, affected State, and tribal review.

5. The application for renewal shall include the current permit number, description of permit revisions and off-permit changes that occurred during the permit term, any applicable requirements that were promulgated and not incorporated into the permit during the permit term, and other information required by the application form.

IV.O Administrative Permit Amendments [40 CFR § 71.7(d)]

(a) The permittee may request the use of administrative permit amendment procedures for a permit revision that:

(i) Corrects typographical errors.

(ii) Identifies a change in the name, address, or phone number of any person identified in the permit, or provides a similar minor administrative change at the source.

(iii) Requires more frequent monitoring or reporting by the permittee.

(iv) Allows for a change in ownership or operational control of a source where the EPA determines that no other change in the permit is necessary, provided that a written agreement containing a specific date for transfer of permit responsibility, coverage, and liability between the current and new permittee has been submitted to the EPA.

(v) Incorporates into the Part 71 permit the requirements from preconstruction review permits authorized under an EPA-approved program, provided that such a program meets procedural requirements substantially equivalent to the requirements of 40 CFR §§ 71.7 and 71.8 that would be applicable to the change if it were subject to review as a permit modification, and

compliance requirements substantially equivalent to those contained in 40 CFR § 71.6.

(vi) Incorporates any other type of change which EPA has determined to be similar to those listed above in subparagraphs (i) through (v).

IV.P. Minor Permit Modifications [40 CFR § 71.7(e)(1)]

(a) The permittee may request the use of minor permit modification procedures only for those modifications that:

(i) Do not violate any applicable requirement.

(ii) Do not involve significant changes to existing monitoring, reporting, or recordkeeping requirements in the permit.

(iii) Do not require or change a case-by-case determination of an emission limitation or other standard, or a source-specific determination for temporary sources of ambient impacts, or a visibility or increment analysis.

(iv) Do not seek to establish or change a permit term or condition for which there is no corresponding underlying applicable requirement and that the source has assumed to avoid an applicable requirement to which the source would otherwise be subject. Such terms and conditions include:

(1) A federally enforceable emissions cap assumed to avoid classification as a modification under any provision of title I; and

(2) An alternative emissions limit approved pursuant to regulations promulgated under Section 112(i)(5) of the Clean Air Act.

(v) Are not modifications under any provision of Title I of the Clean Air Act.

(vi) Are not required to be processed as a significant modification.

(b) Notwithstanding the list of changes eligible for minor permit modification procedures in paragraph (a) above, minor permit modification procedures may be used for permit modifications involving the use of economic incentives, marketable permits, emissions trading, and other similar approaches, to the extent that such minor permit modification procedures are explicitly provided for in an applicable implementation plan or in applicable requirements promulgated by EPA.

(c) An application requesting the use of minor permit modification procedures shall meet the requirements of 40 CFR § 71.5(c) and shall include the following:

(i) A description of the change, the emissions resulting from the change, and any new applicable requirements that will apply if the change occurs;

(ii) The source's suggested draft permit;

(iii) Certification by a responsible official, consistent with §71.5(d), that the proposed modification meets the criteria for use of minor permit modification procedures and a request that such procedures be used; and

(iv) Completed forms for the permitting authority to use to notify affected States as required under 40 CFR § 71.8.

(d) The source may make the change proposed in its minor permit modification application immediately after it files such application. After the source makes the change allowed by the preceding sentence, and until the permitting authority takes any of the actions authorized by 40 CFR §§ 71.7(e)(1)(iv)(A) through (C), the source must comply with both the applicable requirements governing the change and the proposed permit terms and conditions. During this time period, the source need not comply with the existing permit terms and conditions it seeks to modify. However, if the source fails to comply with its proposed permit terms and conditions during this time period, the existing permit terms and conditions it seeks to modify may be enforced against it.

(e) The permit shield under 40 CFR § 71.6(f) may not extend to minor permit modifications. [40 CFR § 71.7(e)(1)(vi)].

IV.Q. Significant Permit Modifications [40 CFR § 71.7(e)(3)]

(a) The permittee must request the use of significant permit modification procedures for those modifications that:

(i) Do not qualify as minor permit modifications or as administrative amendments.

(ii) Are significant changes in existing monitoring permit terms or conditions.

(iii) Are relaxations of reporting or recordkeeping permit terms or conditions.

(b) Nothing herein shall be construed to preclude the permittee from making changes consistent with Part 71 that would render existing permit compliance terms and conditions irrelevant.

(c) Permittees must meet all requirements of Part 71 for applications for significant permit modifications. For the application to be determined complete, the permittee must supply all information that is required by 40 CFR § 71.5(c) for permit issuance and renewal, but only that information that is related to the proposed change. [40 CFR §§ 71.7(e)(3)(ii) and 71.5(a)(2).]

Attachment A

U.S. EPA Acid Rain Permit Application

United States
Environmental Protection Agency
Acid Rain Program

OMB No. 2060-0258

Acid Rain Permit Application

For more information, see instructions and refer to 40 CFR 72.30 and 72.31

This submission is: ☐ New ☒ Revised

STEP 1

Identify the source by plant name, State, and ORIS code.

Plant Name	State	ORIS Code
SOUTH POINT ENERGY CENTER	AZ	55177

STEP 2

Enter the unit ID# for every affected unit at the affected source in column "a." For new units, enter the requested information in columns "c" and "d."

a	b	c	d
Unit ID#	Unit Will Hold Allowances in Accordance with 40 CFR 72.9(c)(1)	New Units Commence Operation Date	New Units Monitor Certification Deadline
A	Yes	NA	NA
B	Yes	NA	NA
	Yes		
	Yes		
	Yes		
	Yes		
	Yes		
	Yes		
	Yes		
	Yes		
	Yes		
	Yes		
	Yes		
	Yes		
	Yes		
	Yes		
	Yes		

SOUTH POINT ENERGY CENTER
Plant Name (from Step 1)

STEP 3

Read the standard requirements

Permit Requirements

(1) The designated representative of each affected source and each affected unit at the source shall:
(i) Submit a complete Acid Rain permit application (including a compliance plan) under 40 CFR part 72 in accordance with the deadlines specified in 40 CFR 72.30; and
(ii) Submit in a timely manner any supplemental information that the permitting authority determines is necessary in order to review an Acid Rain permit application and issue or deny an Acid Rain permit;
(2) The owners and operators of each affected source and each affected unit at the source shall:
(i) Operate the unit in compliance with a complete Acid Rain permit application or a superseding Acid Rain permit issued by the permitting authority; and
(ii) Have an Acid Rain Permit.

Monitoring Requirements

(1) The owners and operators and, to the extent applicable, designated representative of each affected source and each affected unit at the source shall comply with the monitoring requirements as provided in 40 CFR part 75.
(2) The emissions measurements recorded and reported in accordance with 40 CFR part 75 shall be used to determine compliance by the unit with the Acid Rain emissions limitations and emissions reduction requirements for sulfur dioxide and nitrogen oxides under the Acid Rain Program.
(3) The requirements of 40 CFR part 75 shall not affect the responsibility of the owners and operators to monitor emissions of other pollutants or other emissions characteristics at the unit under other applicable requirements of the Act and other provisions of the operating permit for the source.

Sulfur Dioxide Requirements

(1) The owners and operators of each source and each affected unit at the source shall:
(i) Hold allowances, as of the allowance transfer deadline, in the unit's compliance subaccount (after deductions under 40 CFR 73.34(c)), or in the compliance subaccount of another affected unit at the same source to the extent provided in 40 CFR 73.35(b)(3), not less than the total annual emissions of sulfur dioxide for the previous calendar year from the unit; and
(ii) Comply with the applicable Acid Rain emissions limitations for sulfur dioxide.
(2) Each ton of sulfur dioxide emitted in excess of the Acid Rain emissions limitations for sulfur dioxide shall constitute a separate violation of the Act.
(3) An affected unit shall be subject to the requirements under paragraph (1) of the sulfur dioxide requirements as follows:
(i) Starting January 1, 2000, an affected unit under 40 CFR 72.6(a)(2); or
(ii) Starting on the later of January 1, 2000 or the deadline for monitor certification under 40 CFR part 75, an affected unit under 40 CFR 72.6(a)(3).
(4) Allowances shall be held in, deducted from, or transferred among Allowance Tracking System accounts in accordance with the Acid Rain Program.
(5) An allowance shall not be deducted in order to comply with the requirements under paragraph (1) of the sulfur dioxide requirements prior to the calendar year for which the allowance was allocated.
(6) An allowance allocated by the Administrator under the Acid Rain Program is a limited authorization to emit sulfur dioxide in accordance with the Acid Rain Program. No provision of the Acid Rain Program, the Acid Rain permit application, the Acid Rain permit, or an exemption under 40 CFR 72.7 or 72.8 and no provision of law shall be construed to limit the authority of the United States to terminate or limit such authorization.
(7) An allowance allocated by the Administrator under the Acid Rain Program does not constitute a property right.

STEP 3, Cont'd.

Nitrogen Oxides Requirements The owners and operators of the source and each affected unit at the source shall comply with the applicable Acid Rain emissions limitation for nitrogen oxides.

Excess Emissions Requirements

(1) The designated representative of an affected unit that has excess emissions in any calendar year shall submit a proposed offset plan, as required under 40 CFR part 77.
(2) The owners and operators of an affected unit that has excess emissions in any calendar year shall:
(i) Pay without demand the penalty required, and pay upon demand the interest on that penalty, as required by 40 CFR part 77; and
(ii) Comply with the terms of an approved offset plan, as required by 40 CFR part 77.

Recordkeeping and Reporting Requirements

(1) Unless otherwise provided, the owners and operators of the source and each affected unit at the source shall keep on site at the source each of the following documents for a period of 5 years from the date the document is created. This period may be extended for cause, at any time prior to the end of 5 years, in writing by the Administrator or permitting
authority:
(i) The certificate of representation for the designated representative for the source and each affected unit at the source and all documents that demonstrate the truth of the statements in the certificate of representation, in accordance with 40 CFR 72.24; provided that the certificate and documents shall be retained on site at the source beyond such 5-year period until such documents are superseded because of the submission of a new certificate of representation changing the designated representative;
(ii) All emissions monitoring information, in accordance with 40 CFR part 75, provided that to the extent that 40 CFR part 75 provides for a 3-year period for recordkeeping, the 3-year period shall apply.
(iii) Copies of all reports, compliance certifications, and other submissions and all records made or required under the Acid Rain Program; and,
(iv) Copies of all documents used to complete an Acid Rain permit application and any other submission under the Acid Rain Program or to demonstrate compliance with the requirements of the Acid Rain Program.
(2) The designated representative of an affected source and each affected unit at the source shall submit the reports and compliance certifications required under the Acid Rain Program, including those under 40 CFR part 72 subpart I and 40 CFR part 75.

Liability

(1) Any person who knowingly violates any requirement or prohibition of the Acid Rain Program, a complete Acid Rain permit application, an Acid Rain permit, or an exemption under 40 CFR 72.7 or 72.8, including any requirement for the payment of any penalty owed to the United States, shall be subject to enforcement pursuant to section 113(c) of the Act.
(2) Any person who knowingly makes a false, material statement in any record, submission, or report under the Acid Rain Program shall be subject to criminal enforcement pursuant to section 113(c) of the Act and 18 U.S.C. 1001.
(3) No permit revision shall excuse any violation of the requirements of the Acid Rain Program that occurs prior to the date that the revision takes effect.
(4) Each affected source and each affected unit shall meet the requirements of the Acid Rain Program.

SOUTH POINT ENERGY CENTER
Plant Name (from Step 1)

Step 3, Cont'd.

Liability, Cont'd.

(5) Any provision of the Acid Rain Program that applies to an affected source (including a provision applicable to the designated representative of an affected source) shall also apply to the owners and operators of such source and of the affected units at the source.
(6) Any provision of the Acid Rain Program that applies to an affected unit (including a provision applicable to the designated representative of an affected unit) shall also apply to the owners and operators of such unit. Except as provided under 40 CFR 72.44 (Phase II repowering extension plans) and 40 CFR 76.11 (NO_x averaging plans), and except with regard to the requirements applicable to units with a common stack under 40 CFR part 75 (including 40 CFR 75.16, 75.17, and 75.18), the owners and operators and the designated representative of one affected unit shall not be liable for any violation by any other affected unit of which they are not owners or operators or the designated representative and that is located at a source of which they are not owners or operators or the designated representative.
(7) Each violation of a provision of 40 CFR parts 72, 73, 74, 75, 76, 77, and 78 by an affected source or affected unit, or by an owner or operator or designated representative of such source or unit, shall be a separate violation of the Act.

Effect on Other Authorities

No provision of the Acid Rain Program, an Acid Rain permit application, an Acid Rain permit, or an exemption under 40 CFR 72.7 or 72.8 shall be construed as:
(1) Except as expressly provided in title IV of the Act, exempting or excluding the owners and operators and, to the extent applicable, the designated representative of an affected source or affected unit from compliance with any other provision of the Act, including the provisions of title I of the Act relating to applicable National Ambient Air Quality Standards or State Implementation Plans;
(2) Limiting the number of allowances a unit can hold; *provided,* that the number of allowances held by the unit shall not affect the source's obligation to comply with any other provisions of the Act;
(3) Requiring a change of any kind in any State law regulating electric utility rates and charges, affecting any State law regarding such State regulation, or limiting such State regulation, including any prudence review requirements under such State law;
(4) Modifying the Federal Power Act or affecting the authority of the Federal Energy Regulatory Commission under the Federal Power Act; or,
(5) Interfering with or impairing any program for competitive bidding for power supply in a State in which such program is established.

STEP 4

Read the certification statement, sign, and date

Certification

I am authorized to make this submission on behalf of the owners and operators of the affected source or affected units for which the submission is made. I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment.

Name James J. Doherty	
Signature James J. Doherty	Date 11/15/07