



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION IX

**75 Hawthorne Street
San Francisco, CA 94105-3901**

February 13, 2008

Charlene Nelson
Program Supervisor
Navajo Air Quality Control Program
P.O. Box 529
Fort Defiance, AZ 86504

Dear Ms. Nelson:

Thank you for the opportunity to review the Navajo Environmental Protection Agency's (NNEPA) proposed Part 71 permit renewal for the Four Corners Steam Electric Station, located in Fruitland, NM. We have enclosed our comments, which include suggestions for improving the clarity and enforceability of the permit.

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Gerardo C. Rios".

Gerardo C. Rios
Chief, Permits Office
Air Division

EPA Region 9 Comments
Proposed Part 71 Permit Renewal
Four Corners Steam Electric Station

1. Condition II.C.1, which incorporates §64.6 through §64.8 of the Compliance Assurance Monitoring (CAM) rule, is vague, and flawed because it incorporates requirements that do not apply to the facility. EPA recommends that NNEPA delete this condition, and replace it with more specific, enforceable conditions.

§64.6 contains requirements for permitting authorities to review and approve CAM plans submitted by facilities subject to CAM, and permit content requirements. These requirements apply to permitting authorities, not facilities. We note that one of the permit content requirements is a definition of an excursion or exceedance. NNEPA should add such conditions to the final permit as appropriate for each control device.

§64.7, operation of approved monitoring, contains requirements that are currently applicable to the facility. NNEPA should include one or more conditions in the final permit to implement these requirements. For example, the permit should specify what the facility must do when it detects an excursion or exceedance (§64.7(d)).

§64.8 contains requirements for quality improvement plans (QIP). A local permitting authority or EPA may require a QIP if it believes that the source's response to pattern of exceedances or excursions inadequate is inadequate. However, the Four Corners plant is about to start implementing CAM monitoring, and at this stage there is no need for a QIP.

2. Part 71 includes "excursions," as that term is defined in Part 64, in the definition of "deviation" (71.6(a)(3)(iii)(C)(4), and requires that they be promptly reported as well as disclosed in the semi-annual monitoring reports. The draft permit does not include "excursion" in its definition of "deviation" and does not require excursions to be included in the monitoring reports. NNEPA should add "excursion" to the definition of "deviation" in condition III.C.1.(c)(iv), and to the list of required monitoring report data elements in condition III.C.1.(a)(v),
3. Since the acid rain permit renewal that EPA will issue will contain the facility's acid rain renewal application, Attachment B is not necessary and we recommend that NNEPA delete it. For the same reason, condition II.B. should be revised to remove this language: "...and the acid rain permit application (see Attachment B)."
4. Since the facility is not voluntarily accepting any limits on its potential to emit (PTE) in this permit, its PTE will be the same before and after permit issuance. For greater clarity, we recommend that NNEPA delete the phrase "after

issuance” in the heading “Potential to Emit after Issuance” in section 1.1 of the statement of basis.

5. Section 1.1(c) of the statement of basis states that “fugitive emissions from this source are counted toward determination of PSD review.” Since the facility is currently a major source under the Prevention of Significant Deterioration program due its PTE of criteria pollutants, and the facility is not making a physical change or a change in its method of operation, there is no need to address how fugitive emissions are evaluated for PSD applicability purposes. For greater clarity, we recommend deleting section (c).
6. The last two sentences of section 3 of the statement of basis are misleading because they give the impression that NNEPA is currently making a PSD applicability determination for modifications the facility made in the past. In addition, PSD is triggered at an existing major source by a “significant” emission increase, as that term is defined in 40 C.F.R 52.21, not by having a “potential to emit greater than the significant modification thresholds.” For these reasons, and since the facility is not currently making a physical change or a change in its method of operation, the statement of basis language should be revised. EPA suggests the following changes:

The projects that occurred after 1970 ~~do~~ did not result in an emission increase above ~~have potential to emit greater than~~ the significant modification thresholds in 40 CFR 52.21. Therefore, these projects ~~are not subject to the requirements of~~ did not trigger PSD.

7. The description of CAM applicability for NO_x and SO₂ for Boilers B1-B5 in section (l) on page 14 not accurate because it states that the requirement to operate continuous emissions monitors (CEMS) under the acid rain program exempts the boilers from CAM for those pollutants. In fact, the applicable CAM exemption is for emission limitations for which the Title V permit specifies a continuous compliance determination method (§64.2(b)(1)(vi)). Since the permit requires the use of CEMS for NO_x and SO₂, the boilers qualify for this exemption for those pollutants.