

STATE OF NEVADA

Department of Conservation & Natural Resources
DIVISION OF ENVIRONMENTAL PROTECTION

Brian Sandoval, Governor
Leo M. Drozdoff, P.E., Director
Colleen Cripps, Ph.D., Administrator

March 1, 2013

Gerardo Rios, Chief (A-5-1)
New Source Section
Air & Toxics Division
U.S. EPA, Region IX
75 Hawthorne Street
San Francisco, CA 94105

**Re: Nevada Division of Environmental Protection – Bureau of Air Pollution Control (BAPC)
Response to Comments on the Draft Revised/Renewal of Air Quality Operating Permit
#AP4911-0756.02 for Terra-Gen Dixie Valley, LLC; FIN A0376**

Dear Mr. Rios:

The BAPC received comments via email from U.S. EPA Region 9 from the public notice issued October 16, 2012. The attached documents contain the responses to all the comments that were made and the Proposed Operating Permit.

If you have any questions, please feel free to contact Jeffrey Kinder of my staff at (775) 687-9475.

Sincerely,

Rob Bamford
Chief, Bureau of Air Pollution Control

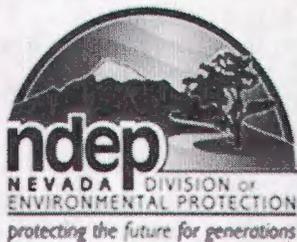
RB/jgk

Enclosures: Response to Comments, Proposed Operating Permit

Certified Mail No. 9171 9690 0935 0011 8699 76

Cc: Omer Shalev, Environmental Engineer – U.S. EPA, Region IX (electronic, with enclosures)





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RESPONSE TO COMMENTS

DRAFT REVISED/RENEWAL CLASS 1 AIR QUALITY OPERATING PERMIT, TERRA-GEN DIXIE VALLEY, LLC

PUBLIC NOTICE

March 1, 2013

Introduction

On October 16, 2012, the Nevada Division of Environmental Protection (NDEP), Bureau of Air Pollution Control (BAPC) provided Notice to the public of the BAPC's issuance of a draft revised/renewal Class 1 Air Quality Operating Permit, AP4911-0756.02, for Terra-Gen Dixie Valley, LLC. The Notice of Proposed Action (NPA) was published in the Lahontan Valley News on October 19, 2012. The NPA and the Director's Review and Preliminary Notice of Permit Issuance (Director's Review) were mailed October 17, 2012 to all individuals on the public mailing list maintained by the BAPC.

A copy of the Draft Permit, NPA and Director's Review were made available for public viewing and inspection at the Churchill County Library in a letter dated October 15, 2012; and provided to U.S. EPA Region 9 (EPA) in a letter dated October 16, 2012. The Technical Review was provided to EPA on October 31, 2012 via email. It was noted that the incorrect version of the Technical Review was provided to EPA, and the correct version was provide via letter, dated December 7, 2012.

The BAPC received comments via email from EPA on November 13, 2012. The following document contains the responses to all the comments that were made.

Response to Comments provided by EPA

EPA Comment No. 1 (Greenhouse Gases (GHGs)):

“The statement of Basis does not quantify GHGs. The Tailoring Rule requires PTE for GHG to be quantified in initial and renewal title V permits though there are not yet any applicable requirements based on GHG emissions.”

BAPC Response to EPA Comment No. 1:

GHGs, or more specifically CO₂e, were previously calculated in the Technical Support Document for Systems 02 through 05. However, it was not calculated for System 01, the cooling tower. The Potential to Emit (PTE) calculation of GHGs for Systems 01 through 05 was performed and the emission spreadsheets updated. Additionally, the Technical Support Document, Facility Wide Potential to Emit, summary table was updated to include CO₂e. Note that the CO₂e is well below 100,000 tons/year.

EPA Comment No. 2 (PM_{2.5}):

“The revision does not address PM_{2.5} emissions or impacts. Because PM_{2.5} emissions increase as a result of the revision, the AQIA must show that the PM_{2.5} NAAQS is maintained.”

BAPC Response to EPA Comment No. 2:

EPA Docket Number: EPA-R09-OAR-2011-0047, FRL-9739-8, addresses the status of Nevada’s SIP with regard to implementation of PM_{2.5}:

EPA is approving in part and disapproving in part State Implementation Plan (SIP) revisions submitted by the state of Nevada pursuant to the requirements of sections 110(a)(1) and (2) of the Clean Air Act (CAA) for the 1997 8-hour ozone national ambient air quality standards (NAAQS) and the 1997 and 2006 NAAQS for fine particulate matter (PM_{2.5}). Section 110(a)(1) of the CAA requires that each State adopt and submit a SIP for the implementation, maintenance, and enforcement of each NAAQS promulgated by the EPA, while section 110(k) requires EPA to act on such SIPs. Nevada has met most of the applicable requirements of section 110(a). Where EPA is disapproving, in part, Nevada’s SIP revisions, the majority of the deficiencies have been already been addressed by a federal implementation plan (FIP). For one remaining deficiency, this final rule sets a two-year deadline for EPA to promulgate a FIP, unless EPA approves an adequate SIP revision prior to that time. EPA remains committed to working with Nevada’s environmental agencies to develop such a SIP revision.

While NDEP continues to work with EPA, PM_{2.5} is not currently listed in the “Nevada Standards” of NAC 445B.22097; therefore, PM_{2.5} was not addressed through this permitting action.

EPA Comment No. 3 (Black Start vs. Emergency Use Engines):

“There are permit conditions applied to the black start engines that should only apply to emergency use engines, for example, conditions based on 40 CFR 63.6655(f). As these conditions do not apply to black start engines, they should be deleted.”

BAPC Response to EPA Comment No. 3:

40 CFR Part 63, National Emission Standards for Hazardous Air Pollutants for Source Categories, Subpart ZZZZ – National Emissions Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines, provides definitions of both “Black Start” and “Emergency” engines in 40 CFR 63.6675:

Black start engine means an engine whose only purpose is to start up a combustion turbine.

Emergency stationary RICE means any stationary internal combustion engine whose operation is limited to emergency situations and required testing and maintenance. Examples include stationary RICE used to produce power for critical networks or equipment (including power supplied to portions of a facility) when electric power from the local utility (or the normal power source, if the facility runs on its own power production) is interrupted, or stationary RICE used to pump water in the case of fire or flood, etc. Stationary RICE used for peak shaving are not considered emergency stationary RICE. Stationary RICE used to supply power to an electric grid or that supply non-emergency power as part of a financial arrangement with another entity are not considered to be emergency engines, except as permitted under § 63.6640(f). All emergency stationary RICE must comply with the requirements specified in § 63.6640(f) in order to be considered emergency stationary RICE. If the engine does not comply with the requirements specified in § 63.6640(f), then it is not considered to be an emergency stationary RICE under this subpart.

Per the facility’s application, the “Black Start” engines are not used solely for startup of the process, but also utilized for emergency situations (e.g. when power is interrupted from their own power production). Therefore, the BAPC included conditions for emergency operation.

Conclusion

Based upon its review of and responses to comments provided by the EPA, the BAPC is issuing the proposed revision/renewal of Class I Air Quality Operating Permit AP4911-0756.02 to Terra-Gen Dixie Valley, LLC