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April 12, 2007

Ms. LaDonna Castañuela
TCEQ
Office of the Chief Clerk, MC-105
P.O. Box 13087
Austin, Texas 78711-3087

Re: Sierra Club and Public Citizen's Motion to Overturn the 3/20/07 Permit Alteration for American Electric Power's Welsh Power Plant

Dear Ms. Castañuela:

Please find enclosed Sierra Club and Public Citizen's Motion to Overturn the 3/20/07 Permit alteration for American Electric Power's Welsh Power Plant.

Thank you for your consideration of this matter. If you have any questions or concerns, please do not hesitate to contact me.

Sincerely,

for David Frederick

RE: PERMIT ALTERATION	§	**BEFORE THE**
	§	
	§	**TEXAS COMMISSION**
PERMITS 4381 AND PSD-TX-3	§	
	§	**ON**
	§	
WELSH POWER STATION	§	**ENVIRONMENTAL QUALITY**
	§	

TO THE HONORABLE COMMISSIONERS OF THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY:

COME NOW Sierra Club and Public Citizen, and respectfully request that the Commission overturn a decision of the Executive Director pursuant to 30 TAC §50.139. The reasons for this motion are set forth below.

I. BACKGROUND

On March 20, 2007, the TCEQ Executive Director ("ED"), acting through the Director of the Air Permits Division, approved American Electric Power Company's ("AEP[1]") request to alter certain permit terms and the maximum allowable emission rate table ("MAERT") for the federal Prevention of Significant Deterioration ("PSD") permit for its Welsh Power Station, located in Titus County. *See,* letter from Richard Hyde, PE, TCEQ, Air Permits Division to Kris Gaus, Air Quality Specialist, American Electric Power, March 20, 2007, Attachment A.

The ED's action was in response to a March 8, 2007, request from AEP, in which the company narrowed and revised an earlier request that had been pending before the Air Permits Division since August 6, 2004. *See,* letter from Kris Gaus, Air Quality Specialist, American Electric Power to Richard Hyde, Director of Air Permits Division,

[1] "AEP," as used herein, also refers to its operating subsidiary, Southwestern Electric Power Company, or SWEPCO.

TCEQ, March 8, 2007, Attachment B. Sierra Club and Public Citizen raised concerns with the requested amendments in a September 23, 2005, letter to Glenn Shankle, TCEQ Executive Director. Attachment C.

The Executive Director's action makes three permit changes, and Sierra Club and Public Citizen believe that two of those changes are impermissible without formal public participation. These two changes are:

1) Removal of the heat rate limitations from the permit; and

2) Specification that the fuel sulfur-content limitation set out in the permit is of the coal on a "wet," rather than on the previously understood "dry," basis.[2]

These two permit changes were approved by the Air Permits Division despite the fact that enforcement actions involving violations of these exact same permit terms are currently pending before the Commission. *See,* April 11, 2005, "Executive Director's Preliminary Report and Petition ("EDPRP") recommending an enforcement order and penalties against AEP/SWEPCO, Attachment D. Provision 13 of the ED's 2005 enforcement report recommended the following corrective action plan:

i. "Limit the heat input on the Units 1, 2, and 3 boilers to 5,156 MMBtu/hour until authorization is obtained to operate at a higher rate.

ii. "Limit the use of coal in the Units1, 2, and 3 boilers to low sulfur (maximum 0.5% sulfur by dry weight) until authorization is

[2] The third permit change establishes a stack-testing schedule. Inasmuch as TCEQ had not previously required stack testing on any schedule and inasmuch as the plant operators had not had the Welsh plant tested for 22 years (until a questionable 2004 stack test), this third change appears on its face to be a permissible – indeed, necessary – alteration.

obtained to use higher sulfur coal or other fuel." *Id* at 4, emphases added.

However, instead of authorizing a higher heat rate (also referred to as "heat input" and further explained below), the Air Permits Division authorized complete removal of the heat rate limit. And, instead of authorizing a higher coal-sulfur limit, the Air Permits Division critically altered the limit to a "wet-weight" basis. These changes are not just clarifications. As explained below, these changes allow the facility to operate at higher heat input (i.e. burn hotter) and allow more emissions.

Sierra Club and Public Citizen are Plaintiffs in a federal Clean Air Act suit involving the underlying permit violations.[3] Whether AEP is liable for violations of the now-changed permit terms is at issue in that litigation.

A. The Welsh Plant's Permit History

The Welsh power plant consists of three separate coal-fired boiler units that generate a total of 1,650 megawatts of electric power. The three units at Welsh became operational in 1977, 1980 and 1982, respectively. These units do not have scrubbers, so sulfur oxides' emissions are a direct function of the sulfur content of the coal that is burned.

AEP and its subsidiary, Southwestern Electric Power Company (SWEPCO), began construction of Welsh Unit No. 1 with site clearing in September 1973. By June 1, 1975, AEP had taken sufficient steps toward construction of Welsh Unit No. 1 that EPA determined that unit would be grandfathered from (i.e., not subjected to) PSD review.

[3] Public Citizen et al v. American Electric Power Company Inc. et al, before the Eastern District of Texas, Texarkana Division, Judge David Folsom, Case No. 5:05-cv-39, filed March 9, 2005.

Although AEP argued that Welsh Units 2 and 3 should also be grandfathered from PSD review, EPA decided otherwise. Thus, Welsh Unit No. 1 initially had no PSD permit, while Welsh Units 2 and 3 were covered by Permit No. PSD-TX-3. This permit covered both the boilers and the coal-handling facilities that supported the boilers.

In the applications to construct the Welsh plant, AEP relied on the maximum design heat input for each boiler (5,156 mmBTU/hr and 625,000 lb/hr coal feed rate) and emission factors and New Source Performance Standards (NSPS) in order to calculate the maximum emissions expected from the boilers. For particulate matter, the emission limits (in pounds per hour and tons per year) were developed based upon the NSPS emission standard of 0.1 pounds per million BTU's. For sulfur dioxide, the emission limits were based upon a maximum sulfur content of 0.50% (by weight, dry) in the coal and the maximum heat input of 5,156 mmBTU/hr.

Prior to receipt of approval to construct the three Welsh electrical generating units, AEP was required to demonstrate that the maximum emissions from the three boilers would not cause or contribute to a ground level concentration of regulated pollutants in excess of the National Ambient Air Quality Standards (NAAQS). Using the maximum expected emissions at the boiler maximum heat input (5,156 mmBTU/hr), AEP was able to demonstrate to EPA, state regulators and the general public that the air quality would meet national standards.[4]

In the 1970s, AEP also secured state air quality permits, i.e., "minor NSR permits," for all three Welsh units. The minor NSR permits, unlike the PSD permit, were specific to each of the boilers and each of the coal-handling facilities. Thus, Unit No. 1

[4] Permit files: Sargent & Lundy Report SL-3265, June 26, 1976; and Sargent & Lundy Report SL-2858, revised June 12, 1973.

received minor NSR permits 1166 (boiler) and 1576 (coal handling); Unit No. 2 received minor NSR permits 4379 (boiler) and 4380 (coal handling); and Unit No. 3 received minor NSR permits 4381(boiler) and 4382 (coal handling).

By 1998, the Unit No. 2 PSD and minor NSR permits had been consolidated into a single document, permit number 4379/PSD-TX-899. Similarly, the Unit No. 3 PSD and minor NSR permits had been consolidated into a single document, permit number 4381/PSD-TX-3.

In applications to renew these minor NSR permits, AEP represented that fuel sulfur content was to be measured on a dry basis.

In September 1998, at AEP's request, TCEQ consolidated the minor NSR permit for the Unit No. 1 boiler (no. 1166) and the previously-consolidated Unit No. 2 permits and the Unit No. 3 permits into a single permit, Permit No. 4381 and PSD-TX-3. The permit establishes special conditions as well as maximum allowable emission rates for specified pollutants from each of the three boiler units at the Welsh Plant, and remains in effect until 2008.

Prior to the ED's alteration, Special Conditions 2, 3, and 4 each specify certain emission limits "while firing at full load (5,156 MMBtu/hr, ...)." In addition, Special Condition 16 requires records to be kept of the average fuel firing rate based on heat rate (MMBtu/hr), and further states: "This information may be used to determine compliance with the emissions limitations of [the MAERT table]."

ARGUMENT

It undercuts agency enforcement when permit terms are unilaterally changed to avoid compliance problems. The ED's action allows increased emissions of air contaminants without the necessary public process.

The ED, in its enforcement report, recommended that the limits be followed until such time as they are raised. But, instead of going through the process to raise the limits, the Air Permits Division has agreed to simply delete the heat input limit (not raise it) and change the fuel-sulfur limit from dry basis to wet basis. These actions are not mere clarifications; they have major operations and emissions consequences. Deleting the heat input limit would allow the plant's coal-fired boilers to burn hotter, leading to higher PM emissions, at least. Changing the coal sulfur-content limit will increase sulfur dioxide and small particle pollution, because the existing "dry-weight" permit limit for fuel sulfur content results in a tighter limit on sulfur emissions, given that these are not scrubbed units.

Rather than go through the necessary authorizations to *increase* the heat rate and increase the sulfur content, AEP is attempting to simply delete the heat rate reference and water down (literally) the fuel sulfur limit. These actions are thinly veiled (if veiled at all) changes that will allow higher emissions.

A. Deleting Heat Input Limits is a Major Amendment

Heat input is a critical operational constraint on any large coal-fired power plant. Heat input is a measure of energy expressed – in the case of large coal-fired boilers – in millions of British thermal units ("MMBtu"). Permit No. 4381 and PSD-TX-3 establish a heat input limit of 5,156 MMBtu/hour for each of the Welsh plant's three boiler units.

AEP has already admitted to exceeding the Welsh plant's permitted heat input limits. As noted, it submitted in April 2004 a Title V permit renewal in which, under oath, it acknowledged it had a permit noncompliance problem, namely that units W-1, W-2, and W-3 are exceeding the heat input limits listed in Special Conditions 2, 3, and 4 of permit PSD-TX-3/4381." Attachment E (excerpt). AEP subsequently accepted and did not appeal the renewed Title V permit that included this same acknowledgement.

TCEQ has always considered the plant's heat input limit to be an enforceable limit, and has determined that an exceedance amounts to a violation. *See*, TCEQ May 25, 2004, Investigation Report, stating "[t]he permit states that the three boilers are limited to 5,156 million British Thermal Units per hour (MMBtu/hr)." *See also*, TCEQ's July 2004 Notice of Enforcement.[5] Attachment F. *See also*, August 31, 1995 letter from TNRCC to Ms. Kathleen Young, SWEPCO, regarding Permit No. 1166, stating, "The heat input rate shall not exceed 5156 MMBTU/hr as represented in the original application." Attachment G.

Special Conditions 2, 3, and 4 of Defendant's PSD permit (as it stood before being changed) set emission rates for certain pollutants, based on a maximum heat input capacity for each of the three boilers of 5,156 mmBtu/hour. Each of these permit conditions establishes emission limits based on the units "firing at full load (5,156 MMBtu/hr, Nameplate Capacity: 558 [megawatts])."

More importantly, the heat input rate is the basis for determining compliance with several key emission rates. In fact, the heat input limit of 5,156 MMBtu/hr is the basis for other emission limits, including particulate matter, carbon monoxide, nitrogen oxides,

[5] It is noteworthy that TCEQ enforcement staff issued a notice of enforcement ("NOE"), which is typically reserved for more egregious violations, as opposed to the more common notice of violation ("NOV").

and volatile organic compounds (VOCs). These emissions limits are all derived from the units' maximum heat input limit of 5,156 MMBtu/hour. *See,* PSD permit Special Condition 16, Special Condition 1, and table (Maximum Allowable Emission Rates) attached to PSD permit.

The Welsh plant's particulate matter limit for Unit 1 is illustrative of the importance of the heat input limit. As AEP themselves explained in a May 6, 1997 letter to Mr. Edward Rapier, TNRCC, regarding the Welsh plant's NSR Permit No. 1166 (now subsumed into the consolidated PSD permit), "Permit 1166, as originally issued, limited particulate emissions to 0.1 lb/MMBtu or 515.6 lb./hr based on a maximum heat input of 5156 MMBtu/hr." Attachment H.

B. Changing the Sulfur Limit to a "Wet-Weight" Basis Means More Sulfur Emissions

The amount of sulfur in the coal burned at the Welsh plant is directly tied to the emissions of sulfur dioxide ("SO2") into the atmosphere through combustion of coal. Sulfur dioxide is a criteria pollutant regulated under the Clean Air Act's health-based National Ambient Air Quality Standards ("NAAQS"). 42 U.S.C. § 7409; 40 C.F.R. §§ 50.4 and 50.5. The Welsh plant's failure to comply with its limit on sulfur content of coal – and also the ED's decision to change from a dry to a wet-weight basis – translates to more SO2 emissions.

The Welsh PSD permit, Nos. 4381 and PSD-TX-3 Special Condition 6.A., establishes a maximum fuel sulfur content of 0.5% total sulfur by weight for each of the three boiler units at the Welsh Power Plant. This limit has always been based on the dry

weight of coal; a wet-weight basis would significantly increase the amount of sulfur allowed in the coal.

TCEQ permitting staff have known in the past that the coal sulfur limit is on a dry-weight basis. *See,* 8/31/1998 Permit Renewal Source Analysis and Technical Review, at page 3 ("Low Sulfur Coal (0.5%S, dry basis) is used as fuel.")

Finally, AEP's PSD permit renewal applications (Table 6) represents that the sulfur content of fuel burned at each of the units is 0.5 percent, and the table of fuel characteristics in Table 6 corresponds exactly to the "dry weight" values given in the original Sargent & Lundy analysis for the plant. *See,* Attachment J.

PSD permit Special Condition 6 requires a modification of the permit for the use of any fuel outside the limits of the permit.

C. TCEQ Rules Require Public Notice for These Major Amendments

30 TAC § 116.116(a) provides:

> (a) Representations and conditions. The following are the conditions upon which a permit, special permit, or special exemption are issued:
>
> (1) representations with regard to construction plans and operation procedures in an application for a permit, special permit, or special exemption; and
>
> (2) any general and special conditions attached to the permit, special permit, or special exemption itself.

In the case at hand, then, AEP's representations that it would operate the Welsh plant at no more than 5,156 MMBTU/hr. and that the sulfur content of the fuel would not exceed 0.5% on a dry basis were conditions on which the permit was deemed to have been issued. Similarly, the special conditions of the permit, prior to its recent change, expressly characterized the heat input as a limit.

30 TAC § 116.116(b) provides that one must seek a permit amendment, if one varies from one's permit application representations or conditions, and the variation would cause (1)(A) a change in the method of control of emissions or (1)(C) an increase in an emission rate. 30 TAC §116.116(b) further provides that one must, among other things, meet the public notice standards referenced at 30 TAC §116.111. So, in this case, unless excused under the exception mentioned, above, the permit changes granted AEP were permit amendments, because they change the method of emission control for sulfur emissions and allow increases in those emissions (i.e., instead of controlling sulfur emissions by limiting the sulfur content of the coal based on dry weight, they allow sulfur emissions increases, by changing the measurement method to one based on the coal's wet weight). Similarly, for both sulfur emissions and for particulate emissions, the elimination of the heat rate limitation allows more tons of coal to be fed each hour to the boilers, with a resulting increase in both the amount of sulfur each hour and the particulate matter (e.g., ash) each hour.

It follows, therefore, that the notice requirements of 30 TAC §116.111, referencing 30 TAC Chapter 139, should have been followed.

30 TAC § 116.116(c) sets out the standards by which permit "alterations" are defined. Though a permit "alteration" is apparently how AEP would characterize the changes approved by the ED, here, note that § 116.116(c) excludes from that definition changes in permits that would (B)(i) change the method of emission control or (B)(ii) allow an increase in the emission rate of any air contaminant.

CONCLUSION AND PRAYER FOR RELIEF

It completely undercuts agency enforcement efforts when one arm of the TCEQ issues a permit alteration while the other arm is actively involved in an enforcement action on the exact same permit terms.

For the foregoing reasons, we respectfully request that the Commission overturn the decision of the Executive Director, with instructions to:

1. Immediately suspend the effectiveness of the Executive Director's March 20, 2007, changes to the permit (30 TAC § 50.139(d)); this will forestall district court litigation, which, per legislative dictate, must otherwise be initiated within 30 days of the effective date of the ED's action (§382.032(b), Health and Safety Code);
2. Upon more full deliberation, rescind the March 20, 2007, letter to American Electric Power;
3. Refrain from any further action on permit terms that are the subject of pending agency enforcement action, until the enforcement actions have been resolved; and
4. In the event that further action on the Welsh plant's PSD permit is warranted as part of a compliance plan:
    a. Ensure that such amendments or alterations actually address, rather than exacerbate, the underlying compliance problems, and

b. Conduct a complete PSD review and provide the appropriate public notice if permit changes would allow operational level or emissions increases.

Respectfully,

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ATTORNEYS FOR SIERRA CLUB AND PUBLIC CITIZEN

ATTACHMENT A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

March 20, 2007

Mr. Kris Gaus
Air Quality Specialist
Quality Environmental Protection
American Electric Power
P.O. Box 660164
Dallas, Texas 75266-0164

Re: Permit Alteration
Permit Numbers: 4381 and PSD-TX-3
Welsh Power Station
Regulated Entity Number: RN100213370
Customer Reference Number: CN600126767
Account Number: TF0012D

Dear Mr. Gaus:

This is in response to your letter dated March 8, 2007, requesting revision of Special Condition Nos. 2, 3, 4, and 6A of the above-referenced permit. We understand you seek to remove design heat input values and name plate generator ratings that were listed in your permit, and clarify that the sulfur content limit of the coal is on an as received "wet basis." We also understand you seek to add Special Condition No. 29, which will require additional stack sampling of particulate matter, carbon monoxide, and volatile organic compounds every third years.

As indicated in Title 30 Texas Administrative Code § 116.116(c), and based on our review, your request is hereby approved and Permit Numbers 4381 and PSD-TX-3 are altered. Enclosed are the altered permit conditions and MAERT to replace those currently attached to your permit. Please note that the enclosed MAERT does not reflect the currently applicable nitrogen oxides (NO_x), carbon monoxide (CO), or volatile organic compound (VOC) emission limits, which are the limits specified in the MAERT attached to Ms. Anne Inman's letter dated May 27, 2005. We remind you that those NO_x, CO, or VOC emission limits should be incorporated in accordance with Texas Commission on Environmental Quality (TCEQ) guidance at time of renewal or amendment.

Re: Permit Numbers 4381 and PSD-TX-3

Your cooperation in this matter is appreciated. If you need further information or have any questions, please contact Mr. Erik Hendrickson at (512) 239-1095 or write to the Texas Commission on Environmental Quality, Office of Permitting, Remediation, and Registration, Air Permits Division (MC-163), P.O. Box 13087, Austin, Texas 78711-3087.

This action is taken under authority delegated by the Executive Director of the Texas Commission on Environmental Quality.

Sincerely,

Richard A. Hyde, P.E., Director
Air Permits Division
Office of Permitting, Remediation, and Registration
Texas Commission on Environmental Quality

RAH/EH/pl

Enclosure

cc: Air Permits Section Chief, New Source Review, Section (6PD-R), Environmental Protection Agency, Region 6, Dallas
Mr. Charles Murray, Air Manager, Region 5 - Tyler

Project Number: 110539

SPECIAL CONDITIONS

Permit Numbers 4381 and PSD-TX-3

EMISSION STANDARDS AND FUEL SPECIFICATIONS

1. This permit covers only those sources of emissions listed in the attached table entitled "Emission Sources - Maximum Allowable Emission Rates," and those sources are limited to the emission limits and other conditions specified in that attached table. The annual rates are based on a rolling 12-month period.

   If one emission rate limitation should be more stringent than another emission rate limitation, the more stringent limitation shall govern and be the standard by which compliance will be determined.

2. Sulfur dioxide (SO_2) emissions from the stack of the Unit 1 Boiler, designated as Emission Point No. (EPN) 1, shall not exceed 1.2 lb/MMBtu while firing at full load. (3/07)

3. Emissions of oxides of nitrogen (NO_x), carbon monoxide (CO), SO_2, particulate matter (PM), and volatile organic compounds (VOC) from the stack of the Unit 2 Boiler, designated as EPN 2, shall not exceed the following limits while firing at full load: (3/07)

Pollutant	Emissions
NO_x	0.7 lb/MMBtu (3-hr rolling average)
CO	0.085 lb/MMBtu (3-hr rolling average)
SO_2	1.1 lb/MMBtu (3-hr rolling average)
PM	0.075 lb/MMBtu (3-hr rolling average)
VOC	0.073 lb/MMBtu (3-hr rolling average)

4. Emissions of NO_x, CO, SO_2, PM, and VOC from the stack of the Unit 3 Boiler, designated as EPN 3, shall not exceed the following limits while firing at full load: (3/07)

Pollutant	Emissions
NO_x	0.7 lb/MMBtu (3-hr rolling average)
CO	0.0303 lb/MMBtu (3-hr rolling average)
SO_2	1.12 lb/MMBtu (3-hr rolling average)
PM	0.069 lb/MMBtu (3-hr rolling average)
VOC	0.0036 lb/MMBtu (3-hr rolling average)

5. Opacity of emissions from the Unit 1 Boiler stack (EPN Boiler 1), Unit 2 Boiler stack (EPN Boiler 2), and Unit 3 Boiler stack (EPN Boiler 3) must not exceed 20 percent averaged over a six-minute period, except for those periods described in Texas Commission on Environmental Quality (TCEQ) Title 30 Texas Administrative Code § 111.111(a)(1)(E).

6. Fuels used in the Unit 1, 2, and 3 Boilers shall be limited to the following:

   A. Sub-bituminous coal containing no more than 0.5 percent total sulfur by weight on a wet (as received) basis.

   B. No. 2 fuel oil.

   The use of any other fuel will require a modification to this permit. (3/07)

FEDERAL REQUIREMENTS

7. The sources covered under this permit shall comply with the requirements of the U.S. Environmental Protection Agency regulations on Standards of Performance for New Stationary Sources promulgated for Fossil Fuel-Fired Steam Generators in Title 40 Code of Federal Regulations Part 60 (40 CFR Part 60), Subparts A and D including the applicable test methods and procedures specified in 40 CFR § 60.46. If any condition of this permit is more stringent than the regulations so incorporated, then for the purposes of complying with this permit, the permit condition shall govern and be the standard by which compliance shall be demonstrated.

COMPLIANCE TESTING

8. For Unit 1 and Unit 2 Boilers, initial compliance testing for PM, SO_2, NO_x, and opacity was completed on July 15 through 18, 1980. Initial compliance testing has not been performed for Unit 3 Boiler based on the fact that this boiler is very similar in design and operation to the Unit 1 and Unit 2 Boilers. Additional testing shall be performed for all three boilers when required by the Executive Director of the TCEQ.

CONTINUOUS DETERMINATION OF COMPLIANCE

9. In order to demonstrate continuous compliance with the opacity limit of Special Condition No. 5, the holder of this permit shall operate and maintain a certified continuous emission monitoring system for measuring opacity of emissions.

10. In order to demonstrate continuous compliance with the SO_2 emission limit as stated in Special Condition Nos. 2, 3, and 4, the holder of this permit shall measure and record SO_2 emissions using one of the methods specified in 40 CFR § 75.11(a).

11. Data from the continuous emission monitors for flow, SO_2, NO_x, CO_2, and continuous opacity monitors required by 40 CFR Part 60 and 40 CFR Part 75 may be used to determine compliance with the conditions of this permit.

ASH HANDLING

12. Emissions from the fly ash silo vents shall be controlled with Baghouses (EPN-7, EPN-8, and EPN-9).

13. Emissions from fly ash loading into trucks from the fly ash silos shall be controlled by venting the displaced air through the Silo Baghouses (EPN Ash1, EPN Ash 2, and EPN Ash 3).

RECORDKEEPING

14. For all emission sources covered under this permit, all emission records and all continuous monitor measurements, including monitor performance testing measurements, all monitor calibration checks and adjustments, and maintenance performed on these systems must be retained for at least five years and must be made available upon request to the Executive Director or any agent of the TCEQ.

15. The holder of this permit shall retain records of the average fuel-firing rate, in units of tons of coal per hour and million British thermal units per hour (MMBtu/hr) for a minimum of two years from the date of recording. The average fuel firing rate shall be based on the higher heating value of the fuel. The average fuel firing rate, in units of tons of coal per hour and MMBtu/hr, shall be calculated at least monthly. This information may be used to determine compliance with the emissions limitations of Special Condition No. 1. **(3/07)**

16. The firing rate (MMBtu/hr) of fuel oil shall be recorded for each 24-hour time period of fuel oil firing, along with the date, time, and duration of fuel oil firing. The quantity, higher heating value and grade(s) of the fuel oil fired shall be clearly noted for each occurrence. This data shall be maintained in a permanent form suitable for inspection. **(3/07)**

17. The holder of this permit shall retain records of the electric power generating rate in Unit 1, 2, and 3 Boilers in units of megawatts, for a minimum of two years from the date of recording.

18. The holder of this permit shall comply with the applicable recordkeeping requirements of 40 CFR § 60.7; 40 CFR § 60.45g, and 40 CFR Part 75.

REPORTING

19. The holder of this permit shall comply with the applicable reporting requirements of 40 CFR § 60.7, 40 CFR § 60.45g, and 40 CFR Part 75.

20. If the electric power generation of the Unit 1 and 2 Boiler exceeds, by more than 10 percent, the electric power (in megawatts) maintained during initial compliance testing, the company must notify, in writing, the Executive Director of the TCEQ; and the source may be subject to additional sampling to demonstrate continued compliance with all applicable state and federal regulations.

ADDITIONAL CONDITIONS

21. The evaporation of nonhazardous turbine cleaning waste is authorized in Unit 2 Boiler of the Welsh Power Plant with the following limitations:

    A. Injection rate shall not exceed 5 gal/min,

    B. The approximate quantity of turbine cleaning fluid evaporated in Unit 2 Boiler will be 8,100 gallons for the 27 hour boiler evaporation operation,

    C. Total emissions for all air contaminants during this evaporation procedure shall not exceed 1.73 pounds/hr and 0.0234 ton/year.

22. The evaporation of nonhazardous boiler cleaning waste generated as the result of periodic cleaning (once every six to eight years) of Unit 1, 2, and 3 Boilers located at Southwestern Electric Power Company's Wilkes Power Plant is authorized in Unit 1 Boiler of Welsh Power Plant with the following limitations:

    A. The injection rate of the boiler cleaning waste shall be at the maximum rate of 50 gallons per minute until all of the cleaning waste is evaporated,

B. The quantity of boiler cleaning waste transported from the Wilkes Power Plant to the Welsh Power Plant to be burned in the Unit 1 Boiler will be approximately 65,000 gallons.

23. The permittee is authorized to burn spent activated carbon generated every two years from the Welsh Power Plant's water treatment system in Unit 1, 2, and 3 Boilers, after it is blended with coal, with the following limitations:

A. Maximum feed rate shall not exceed 1,712 pounds/hr.

B. The quantity of spent activated carbon to be burned in the boilers will be approximately 33,000 pounds for the 20 hours burn operation.

24. The permittee is authorized to evaporate ammoniated citric acid cleaning solution per each boiler cleaning episode in Unit 1, 2, and 3 Boilers of the Welsh Power Plant by injection with the following limitations:

A. The injection rate of the cleaning solution shall not exceed 50 gallons per minute.

B. The quantity of cleaning solution to be evaporated in the boilers will be approximately 140,000 gallons.

25. The permittee is authorized to evaporate spent boiler cleaning solution generated from cleaning of Unit 3 Boiler in Unit 2 Boiler of the Welsh Power Plant with the following limitations:

A. The maximum evaporation rate is 27 gallons per minute.

B. The quantity of spent boiler cleaning solution to be evaporated in Unit 2 Boiler will be approximately 180,000 gallons.

C. Evaporation procedure will be conducted once every six to eight years.

26. A copy of this permit shall be kept at the plant site and made available at the request of personnel from the TCEQ or any local air pollution control agency having jurisdiction.

27. The holder of this permit shall physically identify and mark in a conspicuous location all equipment that has the potential of emitting air contaminants as follows:

A. The facility identification numbers as submitted to the Emission Inventory Section of the TCEQ.

B. The EPNs as listed on the maximum allowable emission rates table.

28. Upon request by the Executive Director of the TCEQ or any local air pollution control program having jurisdiction, the holder of this permit shall provide a sampling and/or analysis or the fuel(s) utilized in the boiler or shall allow the TCEQ or any other air pollution control agency representatives to obtain a sample for analysis.

ADDITIONAL MONITORING

29. The holder of this permit shall perform stack sampling once prior to the expiration date of this permit, and once every third year thereafter as specified in Paragraph C below, to establish the actual quantities of particulate matter (PM), carbon monoxide (CO), and volatile organic compounds (VOC) being emitted into the atmosphere from the Unit 1, 2, and 3 Boilers (EPN-1, EPN-2, and EPN-3). The purpose of such sampling will be to determine compliance with the PM, CO, and VOC emission limits in this permit. Sampling shall be conducted in accordance with the appropriate procedures of the TCEQ Sampling Procedures Manual and applicable test methods.

The TCEQ Executive Director or his designated representative shall be afforded the opportunity to observe all such sampling. The holder of this permit is responsible for providing sampling and testing facilities and conducting the sampling and testing operations at his expense.

A. The TCEQ Tyler Regional Office shall be contacted soon after testing is scheduled but not less than 30 days prior to sampling to schedule a pretest meeting. The notice shall include:

(1) Date for pretest meeting.
(2) Date sampling will occur.
(3) Name of firm conducting sampling.
(4) Type of sampling equipment to be used.
(5) Method or procedure to be used in sampling.
(6) Procedure used to determine turbine loads during and after the sampling period.

The purpose of the pretest meeting is to review the necessary sampling and testing procedures, to provide the proper data forms for recording pertinent data, and to review the format procedures for submitting the test reports. A written proposed description of any deviation from sampling procedures specified in permit conditions or TCEQ or EPA sampling procedures shall be made available to the TCEQ prior to the pretest meeting. The TCEQ Regional Director or the TCEQ Austin Compliance Support Division shall approve or disapprove of any deviation from specified sampling procedures.

B. Each boiler shall be tested at full load for the atmospheric conditions which exist during testing.

C. Sampling as required by this condition shall be conducted at any time between the first day of March and the last day of October. Additional sampling may be required by the TCEQ or EPA.

D. Within 90 days after the completion of sampling required herein, three copies of the sampling reports shall be distributed as follows:

One copy to the EPA Region 6 Office, Dallas.
One copy to the TCEQ Tyler Regional Office.
One copy to the TCEQ Austin Compliance Support Division.

E. Sampling reports shall comply with the conditions of Chapter 14 of the TCEQ Sampling Procedures Manual. Information in the stack sampling report shall include (at a minimum) the following data for each test run:

(1) hourly coal firing rate (in tons);

(2) average coal Btu/lb, expressed both on an as-received basis and a dry basis;

(3) average steam generation rate in millions of pounds per hour;

(4) average generator output in MW;

(5) control device operating parameters;

(6) emissions in the units of the limits of this permit, lb/hr and lb/MMBtu; and

(7) any additional records deemed necessary during the stack sampling pre-test meeting.

F. A complete copy of the sampling reports required by this permit condition shall be kept at the plant for the life of the permit. Sampling reports shall be made available at the request of personnel from the TCEQ, EPA, or any air pollution control agency with jurisdiction. (3/07)

Dated March 20, 2007

EMISSION SOURCES - MAXIMUM ALLOWABLE EMISSION RATES

Permit Numbers 4381 and PSD-TX-3

This table lists the maximum allowable emission rates and all sources of air contaminants on the applicant's property covered by this permit. The emission rates shown are those derived from information submitted as part of the application for permit and are the maximum rates allowed for these facilities. Any proposed increase in emission rates may require an application for a modification of the facilities covered by this permit.

AIR CONTAMINANTS DATA

Emission Point No. (1)	Source Name (2)	Air Contaminant Name (3)	Emission Rates * lb/hr	TPY
EPN-1	Unit 1 Boiler	NO_x	3609.2	15808.3
		CO	153.7	673.2
		VOC	18.4	80.6
		SO_2	6187.2	27100
		PM	515.6	2258.3
EPN-7	Fly Ash Silo No. 1	PM	96.0	420.1
EPN-2	Unit 2 Boiler	NO_x	3609	15808
		CO	438	1916
		VOC	19	82
		SO_2 (4)	5771	25277
		PM	387	1694
EPN-8	Fly Ash Silo No. 2	PM	<0.1	<0.1
EPN-3	Unit 3 Boiler	NO_x	3609	15808
		CO	156	684
		VOC	19	82
		SO_2 (4)	5771	25277
		PM	358	1569
EPN-9	Fly Ash Silo No. 3	PM	<0.1	<0.1

EMISSION SOURCES - MAXIMUM ALLOWABLE EMISSION RATES

(1) Emission point identification - either specific equipment designation or emission point number from plot plan.
(2) Specific point source name. For fugitive sources use area name or fugitive source name.
(3) NO_x - total oxides of nitrogen
CO - carbon monoxide
VOC - volatile organic compounds as defined in Title 30 Texas Administrative Code § 101.1
SO_2 - sulfur dioxide
PM - particulate matter, suspended in the atmosphere, including PM_{10}.
PM_{10} - particulate matter equal to or less than 10 microns in diameter. Where PM is not listed, it shall be assumed that no particulate matter greater than 10 microns is emitted.
(4) Boiler SO_2 and PM emissions originally authorized under PSD by letter from EPA dated November 9, 1976, which is supplanted by this permit.

* Emission rates are based on and the facilities are limited by the following maximum operating schedule:

24 Hrs/day 7 Days/week 52 Weeks/year or 8,760 Hrs/year

Dated March 20, 2007

CHAPTER 6

STACK SAMPLING FOR PARTICULATE MATTER

General

Stack sampling for particulate matter quantification is conducted using classical sampling techniques, and must be performed isokinetically. The portion of a sample caught in the impinger section of the sampling train must always be analyzed and reported. This is because the TCEQ definition of particulate matter includes both front and back half contributions; and to accurately compare the mass emission result with the air permit mass emission rate requires both. Chapter 1 also discussed the inclusion of condensibles and impinger material in emission rate calculations.

EPA Reference Methods are required for all sampling results which are to satisfy EPA regulations. [redacted] determination [redacted] particulate matter is dependent on the rule, regulation, and/or permit conditions. In the event that a recognized method cannot be applied to a particular situation, alternate methods should have advance TCEQ approval; however, when the results will satisfy EPA requirements, EPA's final review and approval must be sought by TCEQ Engineering Services.

Isokinetic Sampling

To obtain a representative sample of a gas stream containing particulate matter, the sample must be collected isokinetically, i.e., the kinetic energy of the gas stream in the stack is equal to the kinetic energy of the gas stream through the sampling nozzle. Since the composition of the two gas streams is the same, isokinetic conditions are maintained if the velocity in the stack is equal to the velocity through the nozzle. If a sample of particulate matter is not collected isokinetically, inaccurate results may be obtained.

Whenever an object is placed in a moving gas stream, some disturbance of the flow patterns will occur. Isokinetic sampling through a sharp-edged nozzle will minimize the flow disturbance caused by the sampling nozzle. Figure 6-1 illustrates this point. Large (heavy) particles tend to travel in a straight line and are not greatly affected by flow disturbances, whereas small (light) particles tend to follow the flow pattern. In a gas stream containing large and small particles, over-isokinetic sampling will produce a low pollutant mass rate (PMR) because fewer large particles will be caught than are representative of the flow stream. Under-isokinetic sampling will produce a high PMR due to a greater than representative number of large particles that will be caught.

The velocity of the gas stream in a stack generally varies from point to point; therefore, the flow rate or velocity through the sampling nozzle must be adjusted to maintain isokinetic conditions at each

(11)

ATTACHMENT B

American Electric Power
P.O. Box 660164
Dallas, TX 75266-0164
www.aep.com

AEP
AMERICAN ELECTRIC POWER

March 8, 2007

APIRT
MAR 09 2007

VIA OVERNIGHT MAIL

Richard Hyde
Director of Air Permits Division
Texas Commission on Environmental Quality
Air Permits Division, MC-162
P. O. Box 13087
Austin, TX 78711-3087

AIR PERMITS DIVISION
MAR 0 9 2007
RECEIVED

Re: Revised and replacement permit alteration request
Southwestern Electric Power Company
Welsh Power Station
Permit 4381/PSD-TX-3
Account # TF-0012-D
CN600126767, RN 100213370

Dear Mr. Hyde:

By letter dated August 6, 2004, Southwestern Electric Power Company (SWEPCO) requested several permit alterations. By this letter, SWEPCO is revising that permit alteration request letter such that the only permit alterations SWEPCO is now requesting are those discussed in the three numbered paragraphs below. Based on ongoing discussions with the TCEQ, SWEPCO may later submit a letter requesting additional permit alterations, including one or more of the alterations that SWEPCO requested in its August 6, 2004 permit alteration request letter.

1. For the reasons SWEPCO presented in the August 6, 2004 permit alteration request letter and at other times (such as during the February 13, 2007 meeting with you and other TCEQ personnel), SWEPCO requests that the TCEQ clarify the above-referenced permit to delete (i) the parenthetical language in Special Conditions 2, 3, and 4 that contains references to the design heat input of 5,156 MMBtu/hr and the nameplate generator capacity of 558 MW , and (ii) the last sentence of Special Condition 2.

2. SWEPCO requests that Special Condition 6.A. be altered to clarify that the 0.5% sulfur limit for the coal is on a "wet (as received) basis". (In the August 6, 2004 permit alteration request letter, SWEPCO asked that the 0.5% sulfur limit be deleted.)

3. SWEPCO requests that a special condition be added to the permit to require that stack testing be conducted for PM, CO, and VOCs once prior to the current expiration date of the permit, and once every third year thereafter.

Enclosed is a proposed redlined version of the permit special conditions that SWEPCO is requesting be altered.

None of the requested permit alterations will interfere with any prior best available control technology demonstration under 30 TAC 116.111(a)(2)(C). To the extent any of the requested permit alterations would be inconsistent with any statement or representation in any of the application forms or documents that comprise the "permit application" for the above-referenced permit, the requested permit alterations supersede any such statement or representation.

SWEPCO would appreciate prompt processing of the requested permit alterations. Please contact me at (214) 777-1113 or email me at kpgaus@aep.com with any questions.

Sincerely,

Kris Gaus, QEP
Environmental Specialist
Air Quality Services

Proposed altered conditions of Permit Nos. 4381/PSD-TX-3

. . .

2. Sulfur dioxide (SO_2) emissions from the stack of the Unit 1 Boiler, designated as Emission Point No. (EPN) 1, shall not exceed 1.2 lb/MMBtu while firing at full load ~~(5,156 MMBtu/hr, Nameplate Capacity: 558 MW)~~. ~~The heat input limit is based upon higher heating value of the fuel.~~

3. Emissions of oxides of nitrogen (NO_x), carbon monoxide (CO), SO_2, particulate matter (PM) (Front Half Only), and volatile organic compounds (VOC) from the stack of the Unit 2 Boiler, designated as EPN 2, shall not exceed the following limits while firing at full load ~~(5,156 MMBtu/hr, Nameplate Capacity: 558 MW)~~:

Pollutant	Emissions
NO_x	0.7 lb/MMBtu (3-hr rolling average)
CO	0.085 lb/MMBtu (3-hr rolling average)
SO_2	1.1 lb/MMBtu (3-hr rolling average)
PM	0.075 lb/MMBtu (3-hr rolling average)
VOC	0.073 lb/MMBtu (3-hr rolling average)

4. Emissions of NO_x, CO, SO_2, PM (Front Half Only), and VOC from the stack of the Unit 3 Boiler, designated as EPN 3, shall not exceed the following limits while firing at full load ~~(5,156 MMBtu/hr, Nameplate Capacity: 558 MW)~~:

Pollutant	Emissions
NO_x	0.7 lb/MMBtu (3-hr rolling average)
CO	0.0303 lb/MMBtu (3-hr rolling average)
SO_2	1.12 lb/MMBtu (3-hr rolling average)
PM	0.069 lb/MMBtu (3-hr rolling average)
VOC	0.0036 lb/MMBtu (3-hr rolling average)

. . .

6. Fuels used in the Unit 1, 2, and 3 Boilers shall be limited to the following:

   A. Sub-bituminous coal containing no more than 0.5 percent total sulfur by weight on a wet (as received) basis.

   B. No. 2 fuel oil.

   The use of any other fuel will require a modification to this permit.

. . .

#?. The holder of this permit shall perform stack sampling once prior to the expiration date of this permit, and once every third year thereafter as specified in Paragraph C below, to establish the actual quantities of particulate matter (PM), carbon monoxide (CO), and volatile organic compounds (VOC) being emitted into the atmosphere from the Unit 1, 2, and 3 Boilers (EPN-1, EPN-2, and EPN-3). The purpose of such sampling will be to determine compliance with the PM, CO, and VOC emissions limits in this permit. Sampling shall be conducted in accordance with the appropriate procedures of the TCEQ Sampling Procedures Manual and of applicable test methods.

The TCEQ Executive Director or his designated representative shall be afforded the opportunity to observe all such sampling. The holder of this permit is responsible for providing sampling and testing facilities and conducting the sampling and testing operations at his expense.

A. The TCEQ Tyler Regional Office shall be contacted soon after testing is scheduled, but not less than 30 days prior to sampling, to schedule a pretest meeting. The notice shall include:

(1) Date for pretest meeting.
(2) Date sampling is scheduled to occur.
(3) Name of firm conducting sampling.
(4) Type of sampling equipment to be used.
(5) Method or procedure to be used in sampling.
(6) Procedure used to determine turbine loads during and after the sampling period.

The purpose of the pretest meeting is to review the necessary sampling and testing procedures, to provide the proper data forms for recording pertinent data, and to review the format procedures for submitting the test reports. A written proposed description of any deviation from sampling procedures specified in permit conditions or TCEQ or EPA sampling procedures shall be made available to the TCEQ prior to the pretest meeting. The TCEQ Regional Director or the TCEQ Austin Compliance Support Division shall approve or disapprove of any deviation from specified sampling procedures.

B. Each boiler shall be tested at full load for the atmospheric and operational conditions which exist during testing.

C. Sampling as required by this condition shall be conducted at any time between the first day of March and the last day of October. Additional sampling may be required by the TCEQ or EPA.

D. Within 90 days after the completion of sampling required herein, three copies of the sampling reports shall be distributed as follows:

One copy to the EPA Region 6 Office, Dallas.
One copy to the TCEQ Tyler Regional Office.
One copy to the TCEQ Austin Compliance Support Division.

E. Sampling reports shall comply with the conditions of Chapter 14 of the TCEQ Sampling Procedures Manual. Information in the stack sampling report shall include (at a minimum) the following data for each test run:

(1) hourly coal firing rate (in tons);

(2) average coal Btu/lb, expressed both on an as-burned basis and a dry basis;

(3) average steam generation rate in millions of pounds per hour;

(4) average generator output in MW;

(5) control device operating parameters;

(6) emissions in the units of the limits of this permit, lb/hr and lb/MMBtu; and

(7) any additional records deemed necessary during the stack sampling pre-test meeting.

F. A complete copy of the sampling reports required by this permit condition shall be kept at the plant for the life of the permit. Sampling reports shall be made available at the request of personnel from the TCEQ, EPA, or any air pollution control agency with jurisdiction.

ATTACHMENT C

SIERRA CLUB
FOUNDED 1892
LONE STAR CHAPTER

PO Box 1931 Austin, TX 78767
512-477-1729

Public Citizen
20 Years of Advocacy

1002 West Ave Austin, Texas 78701
512-477-1155

2.9
DF
MP
AR file

COPY

September 23, 2005

Mr. Glenn Shankle
Executive Director
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

Regarding: Revision of SWEPCO's Welsh Power Plant permit PSD-Tx-3

Dear Mr. Shankle:

We write to raise concerns about revisions to the PSD permit for the Welsh Power Station. SWEPCO/AEP proposed these revisions on August 6, 2004. We believe the changes would:

- Increase emission rates for sulfur dioxide by eliminating current restrictions on the sulfur content of the coal burned at the Welsh plant;
- Increase emission rates for particulate matter by narrowing the definition of that pollutant to include only filterable particles;
- Make it impossible to determine whether AEP is complying with emission limits for particulate matter.

Because the requested revisions would increase allowable levels of pollution, they should be treated as permit amendments subject to the provisions of 30 TAC § 116.111, which requires a public hearing and an updated review of the best available control technologies for the pollutants in question.

Changes in sulfur content of coal consumed at Welsh Plant will increase allowable emission rates.

Special condition six of the current permit limits fuel use at the Welsh plant to "sub-bituminous coal containing no more than 0.5 percent total sulfur by weight," and to "No. 2 fuel oil containing no more than 0.5 percent total sulfur by weight." In addition, hourly emissions of sulfur dioxide are limited to 1.2 lbs. SO2/mmbtu at Unit 1; 1.1 lbs SO2 at Unit 2, and 1.12 lbs. SO2 at Unit 3. Finally, conditions 1 and 7 make clear that, where provisions of the permit conflict, the most stringent condition applies. See, conditions 1 and 7. AEP, after having been

conflict, the most stringent condition applies. See, conditions 1 and 7. AEP, after having been cited for repeatedly violating these restrictions, proposes to eliminate any restrictions on the sulfur content of coal consumed at the Welsh plant.

Because the Welsh units are not scrubbed, emissions of sulfur dioxide can be expected to increase in proportion to the sulfur content of the coal at the plant. EPA's own AP-42 factors are based on the relationship between sulfur content and sulfur dioxide emissions at unscrubbed plants, adjusted for coal type and boiler characteristics. For example, EPA estimates that burning subbituminous coal with 0.5% sulfur content at a tangential-fired, dry-bottom boiler would release 19 pounds of sulfur dioxide per ton of coal consumed. Subbituminous coal with 1% sulfur content would yield 38 pounds of sulfur dioxide per ton of coal consumed.

The Babcock & Wilcox steam book provides the following formula for converting emissions per ton of coal to emissions based on heat input: lbs SO2/ton of coal x 500 ÷ heat value of coal (Btu/lb) = SO2/mmBtu. On June 23, 2004, AEP reported burning coal with a heat value of 9313 Btu per pound when conducting a stack test at Welsh Unit 1. Applying the Babcock & Wilcox formula above, coal with a heat value of 9313 and a sulfur content of 0.5% could generate no more than 1.02 lbs of sulfur dioxide per mmBtu. In this case, relaxing the current permit by removing restrictions on the use of higher sulfur coal would allow emissions to rise to the maximum permitted emissions rate of 1.2 MMBtu, almost 20% higher than emissions under the current sulfur restrictions.

In short, sulfur dioxide emissions at the Welsh plant are permit-limited in two ways: by restricting the sulfur content of the coal consumed at the plant and through emission rates based on heat input. The limitation on coal sulfur content effectively holds emission rates of sulfur dioxide well below the maximum rates based on heat input. Thus, eliminating restrictions on sulfur content will increase allowable emissions.

Federal regulations exempt fuel switching from New Source Review under certain circumstances but only when not "prohibited under any federally enforceable permit condition which was established after January 6, 1975..." 40 CFR 52.21(e). As the PSD-TX-3 permit was renewed in 1998 and includes federally enforceable permit conditions, the exemption for fuel switching does not apply to the AEP Welsh plant.

TCEQ Rules and PSD-TX-3 Permit Apply to All Forms of Particulate Matter

AEP's current PSD permit sets alternate limits on particulate matter based on heat input and mass emission rates measured in pounds per hour. For example, PM emissions at Welsh Unit 1 are limited to no more than 0.1 lbs/MMBtu, or 515 pounds per hour. Total particulate emissions from power plants typically are comprised of particles that are trapped on a filter during in-stack sampling, as well as tiny particles that can only be measured in an impinger after condensation. TCEQ's federally enforceable rules make clear that particulate matter emissions include both filterable particles, and those "caught by an impinger train." According to EPA, the condensible particles measured in impingers are smaller than 2.5 microns, and are thought to be especially damaging to public health.

AEP would like to "clarify" that the emission limits in its permit apply only to filterable particles, but AEP offers no legal justification to support its request. The only TCEQ guidance we have identified clearly contemplates including all particulate matter, when determining compliance with emission standards:

> "The federal standard does not include the particulate captured in the impingers after the filter in this train, commonly referred to as the back half analysis. Some permit provisions may also refer to this standard, but all other places including the limitations for PBR use in the Subchapter A: General Requirements of Chapter 106, and standard mass rate limitations in the Maximum Allowable Emission Rate Table of permits, and generally all other references to particulate matter are based on the state definition of particulate matter, which includes the particulate captured in the impinger, the back half analysis." *TCEQ Guidance on Waiving PM Testing Requirements of New and Relocated Hot Mix Asphalt Plants, April 3, 2002, citing Air Rule Interpretation Team Determination R06-147-001.*

We have identified no specific reference in either TCEQ regulations or the Welsh permit itself that would support the narrow definition of particulates proposed by AEP. While the original PM emission limits may have been established to meet federal NSPS standards, these have long since been subsumed by the PSD permits issued by TCEQ under state implementation plan rules. Even Method 5, which is used to determine compliance with NSPS PM limits, anticipates including condensible particulates where required by state law. To the extent that there is any conflict between NSPS and TCEQ definitions of particulate matter, the PSD permit itself requires application of the more stringent standard.

TCEQ is apparently considering establishing separate emission rates for filterable and condensable particles in response to AEP's request for "clarification." We do not understand how TCEQ can subdivide an emission standard in a permit into two new and separate standards without complying with the requirements of New Source Review.

PSD-TX-3 Requires No Monitoring of PM Emissions; Eliminating Heat Input Limits Would Make Compliance Determinations Almost Impossible

PSD-TX-3 sets emission limits based on heat input, and on mass emission rates measures in pounds per hour. PSD-TX-3 also establishes a "maximum heat input" of 5156 MMBtu/hour. Mass emission limits are determined by multiplying the maximum heat input by the emission rates per unit of heat input identified in special conditions 2 through 4 of its permit. For example, Unit 1 is limited to 515.6 pounds per hour of particulate matter, or 5156 mmBTU x 0.1mmBtu.

Having violated maximum heat input limits for many years, AEP now proposes to eliminate this restriction altogether. If TCEQ grants AEP's request, it will be even more difficult to determine compliance at the Welsh facility. Although the Welsh permit establishes hourly emission limits for particulate matter, there are no requirements at all in the current permit to test for compliance with that limit. Incredibly, between 1982 and 2004, not a single stack test was conducted at any of the Welsh units to measure compliance with hourly emission limits. AEP

finally conducted a stack test in June of 2004, after a whistleblower revealed consistent violations of the heat input limits and other permit requirements at the Welsh plant. This belated effort to measure compliance appears to have been conducted under favorable conditions, e.g., when opacity was low and at heat input levels that do not approach the maximum levels achieved in the recent past.

TCEQ should not grant AEP's request without establishing clear parameters for determining compliance with particulate matter emission limits that are consistent with periodic monitoring required by law. If TCEQ intends to use opacity as a surrogate for measuring compliance, it should make clear that particulate matter violations will be triggered when opacity standards are not met.

We appreciate your taking the time to consider our views, and would be happy to meet with you to discuss our concerns in greater detail.

Sincerely,

Ken Kramer
w/p Annie Bricker
Ken Kramer, Director
Sierra Club, Lone Star Chapter

Tom Smith w/p Annie Bricker
Tom "Smitty" Smith
Public Citizen

xc: John Sadlier
Eric Hendrickson
Eric Schaeffer
David Frederick

ATTACHMENT D

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

April 11, 2005

Via Certified Mail, Return Receipt Requested,
Via First Class Mail, Postage Pre-Paid

Article Number #70000520002323819916
CT Corporation System
Registered Agent
Southwestern Electric Power Company
350 N. St. Paul Street
Dallas, TX 75201

Article Number #70000520002323819923
Carl L. English
Vice President
Southwestern Electric Power Company
1 Riverside Plaza
Columbus, OH 43215

Re: Southwestern Electric Power Company dba AEP SWEPCO; TCEQ ID No.TF0012D; Enforcement ID No. 18611, RN100213370
TCEQ Docket No. 2004-1364-AIR-E

Dear Sir or Madam and Mr. English:

Please find enclosed a copy of the "Executive Director's Preliminary Report and Petition Recommending that the Texas Commission on Environmental Quality Enter an Enforcement Order Assessing an Administrative Penalty Against and Requiring Certain Actions of Southwestern Electric Power Company dba AEP SWEPCO" (the "EDPRP"). **The Commission may issue a default order against Southwestern Electric Power Company dba AEP SWEPCO unless you file an answer requesting a hearing within 20 days after you receive this letter. For further information concerning these enforcement procedures, you may contact the Commission's Office of the Public Interest Counsel at (512) 239-6363.** To file an answer requesting a hearing, you should send original correspondence referencing the docket number above to LaDonna Castañuela, Chief Clerk, Texas Commission on Environmental Quality, P.O. Box 13087, MC 105, Austin, Texas 78711-3087. I would also appreciate receiving a copy of any such correspondence.

Please contact me at (512) 239-3400 if you have any questions or would like to schedule a meeting to discuss settlement. We look forward to cooperatively resolving this matter with you.

Sincerely,

Gitanjali Yadav
Attorney
Litigation Division

Enclosure
cc: Keith A. Courtney, Jenkens & Gilchrist, 401 Congress Ave., Ste. 2500, Austin, TX 78701-3799
Office of the Chief Clerk, MC 105
TCEQ Central Records, MC 199

Attachment PC

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

April 11, 2005

LaDonna Castañuela, Chief Clerk
Texas Commission on Environmental Quality
P.O. Box 13087, MC 105
Austin, Texas 78711-3087

Re: Executive Director's Preliminary Report and Petition
Southwestern Electric Power Company dba AEP SWEPCO, TCEQ ID No.TP0012D;
Enforcement ID No. 18611; RN100213370
TCEQ Docket No. 2004-1364-AIR-E

Dear Ms. Castañuela:

Enclosed for filing is the original "Executive Director's Preliminary Report and Petition Recommending that the Texas Commission on Environmental Quality Enter an Enforcement Order Assessing an Administrative Penalty Against and Requiring Certain Actions of Southwestern Electric Power Company dba AEP SWEPCO" (the "EDPRP").

Enclosed please also find one copy of this letter to you, one copy of the EDPRP, and one copy of the letter to the Respondent. Please file stamp these documents and return them to Gitanjali Yadav, Attorney, Litigation Division, MC 175. If you have any questions or comments, please call me at 512/239-2029.

Sincerely,

Gitanjali Yadav
Attorney
Litigation Division

Enclosures

cc: Miriam Hall, Enforcement Division, TCEQ, MC 128
Charles Murray, Air Section Manager, TCEQ, MC R-5
Blas Coy, Public Interest Counsel, TCEQ, MC 103
TCEQ Central Records, MC 198

TCEQ DOCKET NO. 2004-1364-AIR-E

IN THE MATTER OF	§	
AN ENFORCEMENT ACTION	§	BEFORE THE
AGAINST SOUTHWESTERN	§	
ELECTRIC POWER COMPANY DBA	§	TEXAS COMMISSION ON
AEP SWEPCO;	§	
TCEQ ID NO. TF0012D;	§	ENVIRONMENTAL QUALITY
RN100213370	§	

EXECUTIVE DIRECTOR'S PRELIMINARY REPORT AND PETITION RECOMMENDING THAT THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ENTER AN ENFORCEMENT ORDER ASSESSING AN ADMINISTRATIVE PENALTY AGAINST AND REQUIRING CERTAIN ACTIONS OF SOUTHWESTERN ELECTRIC POWER COMPANY DBA AEP SWEPCO

INTRODUCTION

1. The Executive Director of the Texas Commission on Environmental Quality ("Commission" or "TCEQ"), by and through a representative of the Litigation Division, hereby issues this Preliminary Report and Petition pursuant to TEX. WATER CODE § 7.054, TEX. HEALTH & SAFETY CODE ch. 382, and 30 TEX. ADMIN. CODE chs. 70, 101, 106, 116, and 122. Discovery related to this matter is intended to be conducted under Level 3 pursuant to TEX. R. CIV. P. 190.

2. Southwestern Electric Power Company dba AEP SWEPCO ("Southwestern Electric") is subject to the enforcement authority of the Commission pursuant to TEX. WATER CODE § 7.002 because the violations alleged herein are within the Commission's general jurisdiction, pursuant to TEX. WATER CODE § 5.013, as they involve violations of the state's air quality program.

3. The Executive Director has come to the conclusion that Southwestern Electric has violated 30 TEX. ADMIN. CODE §§ 101.10(b); 106.8(c)(2)(A); 106.263(g); 116.115(c); 116.116(b)(1); 122.143(4); 122.145(2)(A); and 122.146(1); TEX. HEALTH & SAFETY CODE § 382.085(b); Operating Permit O-00026, General Terms and Conditions, and Special Conditions 2.E and 11; Permit No. 4381.PSD-TX-3, Special Condition 6.A. The Executive Director recommends that the Commission enter an order assessing an administrative penalty against Southwestern Electric in the amount of two hundred twenty-eight thousand three hundred twelve dollars ($228,312.00). Further, the Executive Director recommends that the Commission order Southwestern Electric to undertake such actions as are necessary to bring its plant into compliance with the Texas Health and Safety Code and TCEQ rules.

FACTS SUPPORTING VIOLATIONS

4. Southwestern Electric owns and operates a power plant located at 1187 County Road 4865, Pittsburg, Titus County, Texas (the "Plant"). The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).

5. During an inspection conducted on May 25, 2004, a TCEQ Tyler Regional Office investigator documented that Southwestern Electric violated the following requirements:

   a. 30 TEX. ADMIN. CODE §§ 101.10(b); 122.143(4); 122.145(2)(A); Operating Permit O-00026, Special Condition 2.E.; and TEX. HEALTH & SAFETY CODE § 382.085(b) by failing to report particulate matter from routine maintenance on the electrostatic precipitators ("ESP") on the 2002 and 2003 emission inventories (EIs), and failing to report this deviation on the compliance certification/deviation report covering the periods of this deviation.

   b. 30 TEX. ADMIN. CODE §§ 106.8(c)(2)(A) and 106.263(g) and TEX. HEALTH & SAFETY CODE § 382.085(b) by failing to record the amount of contaminants emitted during ESP maintenance.

   c. 30 TEX. ADMIN. CODE § 116.116(b)(1), Permit No. 4381/PSD-TX-3, and TEX. HEALTH & SAFETY CODE § 382.085(b) by varying from representations in a permit application. Specifically, in the permit renewal applications and follow up requests for information submitted on November 19, 1997 for the Unit 3 Boiler, February 27, 1997 for the Unit 2 Boiler, and on January 11, 1994 for the Unit 1 Boiler, the fuel heat input was represented as 5156 million British thermal units per hour ("MMBtu/hr"). Records indicate that the Unit 1, Unit 2, and Unit 3 Boilers have been operated as high as 6239 MMBtu/hr, 5986 MMBtu/hr, and 5982 MMBtu/hr or 21%, 16% and 16% over permit representations, respectively.

   d. 30 TEX. ADMIN. CODE §§ 116.115(c); 116.116(b)(1); and 122.143(4); Permit Nos. 4381/PSD-TX-3, Special Condition 6.A., and O-00026, Special Condition 11, and TEX. HEALTH & SAFETY CODE § 382.085(b) by varying from representations in a permit application. Specifically, in the permit renewal applications and follow up requests for information submitted on November 19, 1997 for the Unit 3 Boiler, February 27, 1997 for the Unit 2 Boiler, and on January 11, 1994 for the Unit 1 Boiler, the fuels used in the Unit 1, 2, and 3 Boilers were represented as sub-bituminous coal containing no more than 0.5 percent total sulfur by dry weight. Records indicate that Southwestern Electric failed to limit the sub-bituminous coal burned in the Unit 1, Unit 2, and Unit 3 Boilers to 0.5% total sulfur by weight (dry basis) during the period of June 2001 through May 2004.

e. 30 TEX. ADMIN. CODE § 122.145(2)(A) and TEX. HEALTH & SAFETY CODE § 382.085(b) by failing to report exceedances of the 0.5% total sulfur by weight in the sub-bituminous coal burned in the boilers during the period of June 2001 through April 2004 on deviation reports. These emissions should have been reported on the deviation reports for October 9, 2001 through April 9, 2004.

f. 30 TEX. ADMIN. CODE §§ 122.143(4) and 122.146(1); Operating Permit O-00026, General Terms and Conditions; and TEX. HEALTH & SAFETY CODE § 382.085(b) by failing to certify compliance for the period beginning April 9, 2003 and ending on October 9, 2003.

6. Southwestern Electric received notice of the violations on or about July 24, 2004.

IMPOSITION OF PENALTY

7. Based on the facts supporting the violations, the Executive Director recommends that an administrative penalty be imposed pursuant to TEX. WATER CODE § 7.051. The Commission has the authority to assess an administrative penalty of up to $10,000 for each day of each violation under TEX. WATER CODE § 7.052.

AMOUNT OF PENALTY

8. In determining the amount of the penalty, the Commission is required by TEX. WATER CODE § 7.053 to consider:
   a. the nature, circumstances, extent, duration, and gravity of the prohibited act, with special emphasis on the impairment of existing water rights or the hazard or potential hazard created to the health or safety of the public;
   b. the impact of the violation on:
      1. air quality in the region;
      2. a receiving stream or underground water reservoir;
      3. instream uses, water quality, aquatic and wildlife habitat, or beneficial freshwater inflows to bays and estuaries; or
      4. affected persons;
   c. with respect to the alleged violator:
      1. the history and extent of previous violations;
      2. the degree of culpability, including whether the violation was attributable to mechanical or electrical failures and whether the violation could have been reasonably anticipated and avoided;

3. the demonstrated good faith, including actions taken by the alleged violator to rectify the cause of the violation and to compensate affected persons;
4. economic benefit gained through the violation; and
5. the amount necessary to deter future violations; and

d. any other matters that justice may require.

9. Based on the facts supporting the violations, and having considered the above-described factors, the Executive Director recommends that Southwestern Electric be required to pay an administrative penalty in the amount of two hundred twenty-eight thousand three hundred twelve dollars ($228,312.00).

10. The penalty calculation worksheet ("PCW") for the recommended administrative penalty is attached hereto and incorporated herein by reference ("Attachment A"). The PCW sets forth each alleged violation and the statutory factors the Executive Director considered in determining the recommended administrative penalty.

11. The Executive Director followed an established Penalty Policy approved by the Commission in calculating the penalty in this enforcement action. *See* Texas Commission on Environmental Quality Penalty Policy (September 1, 2002).

CORRECTIVE ACTION ORDERING PROVISIONS

12. Pursuant to TEX. WATER CODE § 7.073, if a person violates any statute or rule within the Commission's jurisdiction, the Commission may order the person to take corrective action.

13. The Executive Director recommends that Southwestern Electric be required to implement the following corrective measures:

a. Within (10) days after the effective date of the Commission Order, Southwestern Electric shall:

i. Limit the heat input on the Units 1, 2, and 3 boilers to 5156 MMBtu/hr until authorization is obtained to operate at a higher rate.

ii. Limit the use of coal in the Units 1,2, and 3 boilers to low sulfur coal (maximum 0.5% total sulfur by dry weight) until authorization is obtained to use higher sulfur coal or other fuel;

b. Within 30 days after the effective date of the Commission Order, Southwestern Electric shall submit revised emissions inventories for 2002 and 2003 to include particulate matter from routine maintenance on the electrostatic precipitators to:

Emissions Inventory Data, MC 166
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

c. Within 45 days after the effective date of the Commission Order, Southwestern Electric shall submit copies of documentation necessary to demonstrate compliance with these Ordering Provisions to:

Work Leader
Team V, Section III
Enforcement Division, MC 149
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

and

Charles Murry, Air Section Manager
Texas Commission on Environmental Quality
Tyler Regional Office
2916 Teague Drive
Tyler, Texas 75701-3756

RESPONDENT'S RIGHTS AND RESPONSIBILITIES

14. According to TEX. WATER CODE § 7.056 and the TCEQ's procedural rules, Southwestern Electric has a right to a hearing on the occurrence of the violations or the amount of the proposed penalty, or both. To preserve this right to a hearing, within 20 days after the day Southwestern Electric receives this Preliminary Report and Petition, Southwestern Electric must submit a written response to the Executive Director in accordance with TEX. WATER CODE § 7.056 and 30 TEX. ADMIN. CODE § 70.105(a).

PRAYER

15. ACCORDINGLY, the Executive Director respectfully requests that the Commission enter an order, pursuant to TEX. WATER CODE ch. 7 and TEX. HEALTH & SAFETY CODE ch. 382, assessing a penalty and granting other relief as requested above, together with any other relief the Commission finds appropriate.

Respectfully submitted.

Texas Commission on Environmental Quality

Glenn Shankle
Executive Director

Lydia González Gromatzky, Deputy Director
Office of Legal Services

Paul C. Sarahan, Director
Litigation Division

by _____
Gitanjali Yadav
State Bar of Texas No. 24028151
Litigation Division, MC 175
P.O. Box 13087
Austin, Texas 78711-3087
(512) 239-3400
(512) 239-3434 (FAX)

CERTIFICATE OF SERVICE

I hereby certify that on this 11th day of April, 2005, the original of the foregoing "Executive Director's Preliminary Report and Petition Recommending that the Texas Commission on Environmental Quality Enter an Enforcement Order Assessing an Administrative Penalty Against and Requiring Certain Actions of Southwestern Electric Power Company dba AEP SWEPCO" ("EDPRP") was filed with the Chief Clerk, Texas Commission on Environmental Quality, Austin, Texas.

I further certify that on this day a true and correct copy of the foregoing EDPRP was mailed via Certified Mail, Return Receipt Requested (Article No. 70000520002323819916), and via First Class Mail, postage prepaid, to CT Corporation System, Registered Agent, Southwestern Electric Power Company, 350 N. St. Paul Street, Dallas, TX 75201.

I further certify that on this day a true and correct copy of the foregoing EDPRP was mailed via Certified Mail, Return Receipt Requested (Article No. 70000520002323819923), and via First Class Mail, postage prepaid, to Carl L. English, Vice President, Southwestern Electric Power Company, 1 Riverside Plaza, Columbus, OH 43215.

I further certify that on this day a courtesy copy of the foregoing EDPRP was mailed via First Class Mail, postage prepaid, to Keith A Courtney, Jenkens & Gilchrist, 401 Congress Avenue, Suite 2500, Austin, TX 78701-3799.

I further certify that on this day a true and correct copy of the foregoing EDPRP was hand-delivered to the Office of the Public Interest Counsel, Texas Commission on Environmental Quality, Austin, Texas.

Gitanjali Yadav
Attorney
Litigation Division
Texas Commission on Environmental Quality

Attachment A

Penalty Calculation Worksheet

Following pages 11 - 24 Deleted.

ATTACHMENT E

Texas Natural Resource Conservation Commission
Texas Federal Operating Permit Form
OP-ACPS (Part 2)
Application Compliance Plan and Schedule

Account No.	TF-0012-D	Permit Name	Welsh Power Plant	Date	April 5, 2004

III. Compliance Schedule Section (Details)

A. Identification of Specific Situation of Noncompliance

Unit/Group/Process		Seq No	Pollutant	Applicable Regulatory Requirement	
ID No.	Type			Citation	Text Description
W-1, W-2, and W-3	EU	All	All Criteria	PSD-TX-3/4381	Exceed Condition 2, 3, 4 heat input

B. Identification of Method Utilized to Assess Compliance Status and Location of Records Documenting Situation Details

Method Used to Assess Compliance		Location of Records Documenting Situation Details
Compliance Method Citation	Text Description	
40 CFR Part 60.45	Continuous Emission Monitors	CEMs records and Electronic Data Reports

C. Brief Description of the Noncompliance Situation

Exceed heat input value due to change in heat rate since construction

D. Brief Description of Corrective Action Plan

File an application to revise or amend permit PSD-TX-3/4381

E. List of Activities/Milestones to Implement the Corrective Action Plan

1	Submit a revision or amendment application to the TCEQ by September, 2004
2	
3	
4	
5	

F. Previously Submitted Compliance Plan(s)	Type of Action	Date Submitted
	NA	NA

G. Schedule for Submitting Progress Reports	Every 3 months beginning three months after the permit is issued.

ATTACHMENT F

7.5.2.A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

July 19, 2004

CERTIFIED MAIL -
RETURN RECEIPT REQUESTED

Mr. Jim Trimble
Plant General Manager
Southwestern Electric Power Company
RR 4 Box 221
Pittsburg, Texas 75686

Re: Notice of Enforcement for the Comprehensive Compliance Investigation at:
Welsh Power Plant, 1187 County Road 4865, Pittsburg (Titus County), Texas
TCEQ Air Facility ID No.: RN100213370, TF-0012-D

Dear Mr. Trimble:

On May 25, 2004, Ms. Celeste Lane and Mr. Gregg Orr of the of the Texas Commission on Environmental Quality (TCEQ) Tyler Regional Office conducted an investigation of the above-referenced facility to evaluate compliance with applicable requirements for air quality. During the investigation, certain outstanding alleged violations were identified. Enclosed is a summary which lists the investigation findings.

In the listing of the alleged violations, we have cited applicable requirements, including TCEQ rules. If you would like to obtain a copy of the applicable TCEQ rules, you may contact any of the sources listed in the enclosed brochure entitled "Obtaining TCEQ Rules."

The Legislature has granted the TCEQ enforcement powers to ensure compliance with environmental regulatory requirements. Because of the apparent seriousness of the alleged violations, enforcement action has been initiated. Additional violations may be cited upon further review. We encourage you to immediately begin taking actions to address the outstanding alleged violations.

If you have any questions concerning this matter, please feel free to contact Mr. Murray in the Tyler Region Office at (903) 535-5178.

Sincerely,

Charles W. Murray

Charles W. Murray
Air Section Manager
Tyler Region Office

CWM/cml

cc: Mr. Leroy Biggers, Regional Manager, TCEQ, Tyler

Enclosures: Summary of Investigation Findings
Obtaining TCEQ Rules

WELSH POWER PLANT
1187 COUNTY ROAD 4865
PITTSBURG, TITUS COUNTY, TX 75686

Investigation # 278307
Investigation Date: 05/25/2004

Additional ID(s): 26
TF0012D
4381
46723
47492
48821

OUTSTANDING ALLEGED VIOLATIONS

Track No: 167492 Compliance Due Date: No Date Entered
30 TAC Chapter 101.10(b)(1)
30 TAC Chapter 122.143(4)
30 TAC Chapter 122.145(2)(A)
5C THC Chapter 382.085(b)
OP O-00026, SC 2.E.

Requires compliance with the Emissions Inventory requirements.

Alleged Violation:
Investigation: 278307 Comment Date: 07/18/2004

Failure to report particulate matter on the 2002 and 2003 emission inventories. AEP conducts routine maintenance on the electrostatic precipitators (ESP) employing a vacuum truck and baghouse to capture the sandblasting material. Prior to using the baghouse, the emissions went directly to the atmosphere.

30 TAC 101.10(b)(1) requires that actual emissions of particulate matter be reported on the emissions inventory. Reported emission activities must include annual routine emissions. The maintenance activity is predictable and routine. Federal Operating Permit (FOP) No. O-00026, Special Term and Condition No. 2.E. requires compliance with Emissions Inventory Requirements. 30 TAC 122.143(4) states the permit holder shall comply with all terms and conditions codified in the permit. Failure to report the emissions in the Emissions Inventory is a deviation of the permit and must be reported. The submitted compliance certification/deviation report covering the periods of the deviations did not include these deviations. 30 TAC 122.145(2)(A) requires the permit holder to report all instances of deviations.

Failure to report the particulate emissions on the emissions inventory constitutes separate violations of 30 TAC 101.10(b)(1), 30 TAC 122.143(4), and 30 TAC 122.145(2)(A).

Recommended Corrective Action: Submit a response plan and/or documentation necessary to address the outstanding alleged violation to prevent recurrence of same or similar incidents.

Track No: 167493 Compliance Due Date: No Date Entered
30 TAC Chapter 106.8(c)(2)(A)
30 TAC Chapter 122.143(4)
5C THC Chapter 382.085(b)
OP O-00026, SC 12

Requires the permit holder to comply with the general requirements of 30 TAC 106, Subchapter A.

Alleged Violation:
Investigation: 278307 Comment Date: 07/18/2004

Failure to record the amount of contaminants emitted during the ESP maintenance. AEP conducts routine maintenance on the ESPs employing a vacuum truck and baghouse to capture the sandblasting material. The emissions that the baghouse do not capture are required to be recorded to demonstrate compliance with Permit by Rule (PBR) 106.263.

30 TAC 106.8(c)(2)(A) requires the owner or operator of facilities authorized under a PBR to maintain records containing information to demonstrate compliance with the general requirements of 30 TAC 106.4. FOP No. O-00026, Special Term and Condition No. 12 requires the permit holder to comply with the general requirements of 30 TAC 106, Subchapter A. 30 TAC 122.143(4) states the permit holder shall comply with all terms and conditions codified in the permit. This deviation was reported in the recently submitted compliance certification/deviation report covering the period of 10/09/2003 and ending on 04/08/2004.

Failure to record the amount of contaminants emitted during the ESP maintenance constitutes separate violations of 30 TAC 106.8(c)(2)(A) and 30 TAC 122.143(4).

Recommended Corrective Action: Submit a response plan and/or documentation necessary to address the outstanding alleged violation to prevent recurrence of same or similar incidents.

Track No: 167494 Compliance Due Date: No Date Entered

30 TAC Chapter 116.115(c)
30 TAC Chapter 122.143(4)
30 TAC Chapter 122.145(2)(A)
5C THC Chapter 382.085(b)

PA 4381, PSD-TX-3, SC 2

States that the full load for Boiler #2 is 5,156 MMBtu/hr and the heat input limit is based upon higher heating value.

PA 4381, PSD-TX-3, SC 3

States that the full load for Boiler #3 is 5,156 MMBtu/hr and the heat input limit is based upon higher heating value.

OP O-00026, SC 11

States that the full load for Boiler #3 is 5,156 MMBtu/hr and the heat input limit is based upon higher heating value.

Alleged Violation:
Investigation: 278307

Comment Date: 07/18/2004

Failure to maintain the maximum allowable firing rate below 5,156 Million British Thermal units per hour (MMBtu/hr) for Unit 1 Boiler [Emission Point Number (EPN) 1]; Unit 2 Boiler (EPN 2), and Unit 3 Boiler (EPN 3). Based on the records review, from November 21, 2003 through April 30, 2004 (the date the NSR permit was incorporated into Permit O-00026), the 24-hour MMBtu total exceeded 5,156 MMBtu/hr for a 24-hour period. The limit of 5,156 MMBtu/hr for 24 hours equals 123,744 MMBtu.

Unit 1	Unit 2	Unit 3
Days Exceed/Days Oper	Days Exceed/Days Oper	Days Exceed/Days Oper
30/122	4/133	11/138

Permit Numbers 4381 and PSD-TX-3, Special Conditions (SC) 2, 3, and 4 (for Boilers 1, 2, and 3, respectively) state that the full load is 5,156 MMBtu/hr and the heat input limit is based upon higher heating value. 30 TAC 116.115(c) requires that the holder of permits shall comply with the special conditions in the permit. FOP No. O-00026, Special Term and Condition No. 11 requires the permit holder to comply with the requirements of New Source Review (NSR) authorizations. 30 TAC 122.143(4) states the permit holder shall comply with all terms and conditions codified in the permit. Failure to maintain a rate below the maximum allowable firing rate below the limit is a deviation of the permit and must be reported. The submitted compliance certification/deviation report covering the period of the deviations did not include these deviations. 30 TAC 122.145(2)(A) requires the permit holder to report all instances of deviations.

Failure to maintain the maximum allowable firing rate below the limit constitutes separate violations of 30 TAC 116.115(c), 30 TAC 122.143(4), and 30 TAC 122.145(2)(A).

Recommended Corrective Action: Submit a response plan and/or documentation necessary to address the outstanding alleged violation to prevent recurrence of same or similar incidents.

Track No: 167495 Compliance Due Date: No Date Entered

30 TAC Chapter 116.115(c)
5C THC Chapter 382.085(b)

PA 4381, PSD-TX-3, SC 2

States that the full load for Boiler #1 is 5,156 MMBtu/hr and the heat input limit is based upon higher heating value.

PA 4381, PSD-TX-3, SC 3

States that the full load for Boiler #2 is 5,156 MMBtu/hr and the heat input limit is based upon higher heating value.

PA 4381, PSD-TX-3, SC 4

States that the full load for Boiler #3 is 5,156 MMBtu/hr and the heat input limit is based upon higher heating value.

Alleged Violation:
Investigation: 278307 Comment Date: 07/18/2004

Failure to maintain the maximum allowable firing rate below 5,156 Million British Thermal units per hour (MMBtu/hr) for Unit 1 Boiler, Unit 2 Boiler, and Unit 3 Boiler. Based on the records review, from January 1, 2001 to November 21, 2003, the 24-hour MMBtu total exceeded 5,156 MMBtu/hr for a 24-hour period. The limit of 5,156 MMBtu/hr for 24 hours equals 123,744 MMBtu.

Unit 1	Unit 2	Unit 3
Days Exceed/Days Oper	Days Exceed/Days Oper	Days Exceed/Days Oper
303/933	187/984	253/976

Permit Numbers 4381 and PSD-TX-3, SCs 2, 3, and 4 state that the full load is 5,156 MMBtu/hr and the heat input limit is based upon higher heating value. 30 TAC 116.115(c) requires that the holder of permits shall comply with the special conditions in the permit.

Failure to maintain the maximum allowable firing rate below the limit constitutes a violation of 30 TAC 116.115(c).

Recommended Corrective Action: Submit a response plan and/or documentation necessary to address the outstanding alleged violation to prevent recurrence of same or similar incidents.

Track No: 16796 Compliance Due Date: No Date Entered

30 TAC Chapter 116.115(c)
30 TAC Chapter 122.143(4)
30 TAC Chapter 122.145(2)(A)
5C THC Chapter 382.085(b)

PA 4381, PSD-TX-3, SC 6.A.

States that fuel used in the boilers shall be limited to 0.5 percent total sulfur by weight.

OP O-00026, SC 11

Requires the permit holder to comply with the requirements of New Source Review (NSR) authorizations.

Alleged Violation:
Investigation: 278307 Comment Date: 07/18/2004

Failure to maintain the 0.5 percent (%) total sulfur by weight in the sub-bituminous coal burned in the boilers below the maximum allowed. During the review of records covering the period of June 2001 through May 2004 the 0.5% total sulfur by weight (day basis) had been exceeded as follows:

Unit 1	Unit 2	Unit 3
Days Exceed/Days Oper	Days Exceed/Days Oper	Days Exceed/Days Oper
85/1055	90/1117	69/1114

Permit Number 4381, SC 6.A. states that fuel used in the boilers shall be limited to 0.5 percent total sulfur by weight. 30 TAC 116.115(c) requires that the holder of permits shall comply with the special conditions in the permit. FOP No. O-00026, Special Term and Condition No. 11 requires the permit holder to comply with the requirements of New Source Review (NSR) authorizations. 30 TAC 122.143(4) states the permit holder shall comply with all terms and conditions codified in the permit. Failure to maintain the percent sulfur below the maximum is a deviation of the permit and must be reported. The compliance certification/deviation report submitted covering the periods of the deviations did not include these deviations. 30 TAC 122.145(2)(A) requires the permit holder to report all instances of deviations.

Failure to maintain the allowable percent sulfur in the fuel fired below the maximum constitutes separate violations of 30 TAC 116.115(c), 30 TAC 122.143(4), and 30 TAC 122.145(2)(A).

Recommended Corrective Action: Submit a response plan and/or documentation necessary to address the outstanding alleged violation to prevent recurrence of same or similar incidents.

Track No: 167497 Compliance Due Date: No Date Entered

30 TAC Chapter 101.18
30 TAC Chapter 101.20(1)
30 TAC Chapter 101.20(3)
30 TAC Chapter 116.115(c)
30 TAC Chapter 122.143(4)
40 CFR Chapter 60.43(a)(2)

PA 4381, PSD-TX-3, SC 2

Limits SO2 emissions from Boiler #1 to 1.2 lbs/MMBtu.

PA 4381, PSD-TX-3, SC 3

Limits SO2 emissions from Boiler #2 to 1.1 lbs/MMBtu.

PA 4381, PSD-TX-3, SC 7

States that the permit holder shall comply with 40 CFR 60, Subpart D.

OP O-00026, SC 1.A.

Requires the permit holder to comply with the standards listed in the Applicable Requirements Summary.

OP O-00026, SC 3

Requires the permit holder to comply with the requirements in the PSD permit for the pollutant SO2.

Alleged Violation:
Investigation: 278307 Comment Date: 07/18/2004

Failure to maintain the sulfur dioxide (SO2) emissions below the limit on 4 occasions for Units 1 and 2 Boilers. During the file review, the investigator documented that the lbs/MMBtu SO2 limit had been exceeded on the following days for the specified units. The submitted compliance certification/deviation reports included these as deviations.

Unit 1		Unit 2	
8/10/03	1.856	5/20/01	1.236
3/23/02	6.336		
9/28/01	1.828		

Permit 4381 and PSD-TX-3, SC 2 (Unit 1) and SC 3 (Unit 2), limit SO2 emissions to 1.2 and 1.1 lbs/MMBtu, respectively. 30 TAC 116.115(c) requires that the holder of permits shall comply with the special conditions in the permit. 40 Code of Federal Regulations (CFR), Part 60, Subpart D applies to these units. 40 CFR 60.43(a)(2) limits SO2 emissions to 1.2 lbs/MMBtu. Permit 4381 and PSD-TX-3, SC 7 states that the permit holder shall comply with 40 CFR 60, Subpart D, and therefore must comply with 30 TAC 116.115(c). 30 TAC 101.20(1) requires compliance with 40 CFR 60. 30 TAC 101.20(3) requires compliance with PSD permits. FOP No. O-00026, Special Term and Condition No. 1.A. requires the permit holder to comply with the standards listed in the Applicable Requirements Summary. 40 CFR 60.43(a)(2) is an applicable requirement for each unit. FOP No. O-00026, Special Term and Condition No. 3 requires the permit holder to comply with the requirements in the PSD permit for the pollutant SO2. 30 TAC 122.143(4) states the permit holder shall comply with all terms and conditions codified in the permit.

Failure to maintain the SO2 emissions below the limit constitutes separate violations of 30 TAC 101.20(1), 30 TAC 101.20(3), 30 TAC 116.115(c), and 30 TAC 122.143(4).

Recommended Corrective Action: Submit a response plan and/or documentation necessary to address the outstanding alleged violation to prevent recurrence of same or similar incidents.

Track No: 167498 Compliance Due Date: No Date Entered
30 TAC Chapter 122.143(4)
30 TAC Chapter 122.146(1)
OP O-00026, General Condition

Requires the permit holder to comply with the requirements 30 TAC 122.146.

Alleged Violation:
Investigation: 278307 Comment Date: 07/18/2004

Failure to certify compliance for the period beginning April 9, 2003 and ending on October 9, 2003. During the file review, the investigator documented that a Semiannual Deviation Report was submitted covering the April 9, 2003 to October 9, 2003 certification period and that a Semiannual Compliance Certification was submitted for the period beginning October 9, 2003 and ending on April 8, 2004. A Semiannual Compliance Certification was not submitted for the April 9, 2003 to October 9, 2003 certification period.

Permit O-00026, General Condition, requires the permit holder to comply with the requirements 30 TAC 122.146. 30 TAC 122.146(1) requires the permit holder to certify compliance with the terms and conditions of the permit for at least each 12-month period following initial permit issuance. 30 TAC 122.143(4) states the permit holder shall comply with all terms and conditions codified in the permit.

Failure to certify compliance for the April 9 to October 9, 2003 period, constitutes separate violations of 30 TAC 122.143(4) and 30 TAC 122.146(1).

Recommended Corrective Action: Submit a response plan and/or documentation necessary

ATTACHMENT G

TEXAS NATURAL RESOURCE CONSERVATION COMMISSION

Protecting Texas by Reducing and Preventing Pollution

August 31, 1995

Ms. Kathleen Young
Senior Environmental
Project Administrator
SOUTHWESTERN ELECTRIC
POWER COMPANY
P.O. Box 660164
Dallas, Texas 75266-0164

Re: Permit Alteration
Permit No. 1166
Electric Services
Mt. Pleasant, Titus County
Account ID No. TF-0012-D

Dear Ms. Young:

This is in response to your letter dated July 21, 1995 requesting alteration to representations in the permit file. We understand that you propose to evaporate recovery wastes, generated as a result of a remediation project, in the boiler of Welsh Power Plant Unit No. 1. We also understand that the recovery wastes will consist of groundwater and a small amount of No. 2 fuel oil.

You are authorized to conduct the above requested operations for the remediation project referred to in your July 21, 1995 letter, subject to the following conditions. The allowable emission rates of Permit No. 1166 will not be exceeded. The heat input rate shall not exceed 5156 MMBTU/hr as represented in the original application. The injection rate of remediation wastes shall not exceed 50 gallons per minute. Remediation wastes evaporated in the boiler shall consist of No. 2 fuel oil and water only. This authorization is not to exceed 12 months from the date of this letter.

August 31, 1995

Pursuant to the authority conferred under Section 382.0511(b) of the Texas Clean Air Act, Texas Health and Safety Code, Chapter 382, and Texas Natural Resource Conservation Commission Rule 116.116(b) of Regulation VI, the file for Permit No. 1166 is altered. Please attach this letter to your permit.

Your cooperation in this matter is appreciated. If you have further questions, please contact Mr. Jesse R. Alonzo of our Office of Air Quality, New Source Review Division at (512) 239-1098.

Sincerely,

for Victoria J. Rose

Dan Pearson
Executive Director
Texas Natural Resource Conservation Commission

DP/JA/js

cc: Mr. Charles Murray, Air Program Manager, Tyler

ATTACHMENT H

Central and South West Services, Inc.

1616 Woodall Rodgers Freeway
Dallas, Texas 75202
P.O. Box 660164 • Dallas, Texas 75266-0164
214-777-1000

May 6, 1997

Mr. Edward Rapier
Texas Natural Resource Conservation Commission
Office of Air Quality
New Source Review Division (MC-162)
12100 Park 35 Circle
Austin, Texas 78753

RECEIVED
MAY 16 1997
PERMITS PROGRAM

RE: Southwestern Electric Power Company
Welsh Power Station
TNRCC Air Permit No. 1166
TNRCC Account No. ~~WI-0025-C~~ TF-0012-D

Dear Mr. Rapier:

Pursuant to our discussions on April 24, Central and South West Services, Inc. (CSWS) requests that the particulate mass emissions and control efficiency requirements contained in the above reference Permit be revised. Permitted particulate emissions rates and particulate control efficiency requirements, as renewed June 22, 1994, were altered such that attainment of these standards is not assured.

Permit 1166, as originally issued, limited particulate emissions to 0.1 lb/MMBtu or 515.6 lb./hr based on a maximum heat input of 5156 MMBtu/hr. Upon Renewal in 1994, emissions limitations for particulate were lowered to 96 lb./Hr and 420 tons per year, based on EPA's AP-42 emissions factors and a theoretical control efficiency of 99.6%.

Particulate Emissions from Welsh Unit 1 are controlled by an electrostatic precipitator. The precipitator has a guaranteed efficiency of 99.6% for controlling a gas stream with dust loading between 2.0 and 5.0 grains/ft^3 at 32°F and one atmosphere of pressure. Conversely, the design operating conditions for the precipitator are for a gas at 750°F and -7" of H_2O.

Performance tests conducted in 1978 in order to demonstrate compliance with Permit 1166 documented emissions of approximately 0.08 lb./MMBtu or 420 lb./hr. The facility was found to be in compliance with the permitted particulate limitation of 0.1 lb/MMBtu (515.6 lb/hr). Since that time there have been no modifications or change in method of control, as to change the quantity of particulate emissions from the facility.

CSWS therefore requests that mass particulate limits, on an hourly and annual basis, be restored to those originally authorized: 515.6 lb./hr and 2258 ton/yr. Additionally, and in conjunction with this

MAY 19 1997

request, it is requested that notation (5) of the Maximum Allowable Emission Rate table of permit 1166 be deleted. Notation (5) indicates that the precipitator will meet its guaranteed efficiency at all times. While the precipitator operates continually at a high efficiency in order to maintain compliance with the originally permitted limits, it does not operate at the guarantee conditions of 32°F and one atmosphere of pressure.

Please note that these changes are necessary in order to correct administrative errors and do not represent an increase in potential to emit. Please find included a copy of the compliance testing conducted in 1978 and a copy of original equipment specifications for Welsh Unit 1.

Your assistance in this matter is greatly appreciated. Should you have any questions regarding this matter, please contact me at (214)777-1383.

Sincerely,

Patrick Blanchard
Project Administrator
Environmental Permitting & Remediation

Attachments

cc:	Russ Draves,	CSWS Dallas (w/o attachments)
	Brian Bond	CSWS Shreveport (w/o attachments)
	Jim Trimble	Welsh Power Station (w/o attachments)
	File	WSH.10.90.50 (w/o attachments)

ATTACHMENT I

PERMIT RENEWAL
SOURCE ANALYSIS & TECHNICAL REVIEW

Permit No:	**4381**	Company:	**Southwestern Electric Power Company**
Project Type:	**RNEW**	Facility Name:	**WELSH POWER PLANT, Unit 3**
Record No:	**55667**	City:	**Pittsburg**
Account No:	**TF-0012-D**	County:	**Titus**

AUTHORIZATION CHECKLIST (any "Yes" requires signature by Executive Director):

Will a new policy/precedent be established?	**No**
Was at least one public hearing request received?	**No**
Is a state or local official opposed to the permit?	**No**
Is waste or tire derived fuel involved?	**No**
Are waste management facilities involved?	**No**

PROJECT OVERVIEW

Central and South West Services Inc., the holding company for Southwestern Electric Power Company (SWEPCO), has applied for renewal of the Air Quality Permit No. 4381 for Unit 3 Boiler at the SWEPCO Welsh Power Station located near Mount Pleasant, Titus County, Texas. This application for renewal represents no change in method of operation, control, or an increase in emission of any air contaminant. Unit 3 Boiler is rated at 5,156 MMBtu/hr and the generator at 558 MW. The boiler uses 312.5 tons pulverized coal per hour for fuel with a maximum fuel flow rate of 625,000 lb/hr. Heating value for fuel is 8,250 Btu/lb on an as received basis. The boiler has a design maximum of 3,793,000 lb/hr of steam generation. Coal handling is authorized under permits 1576 and 4380. The startup fuel is No. 2 fuel oil, which is stored on site in a 22,000 bbl tank authorized under an exemption. The Unit 3 Boiler's Prevention of Significant Deterioration Permit (PSD-TX-3) is authorized by letter from EPA dated November 9, 1976 and a reaffirmation letter dated February 28, 1978. PSD permit maximum emission allowables for Unit 3 are 358.2 lbs/hr PM and 5771 lbs/hr SO_2. These PSD allowables are below the New Source Performance Standard (NSPS) allowables of 0.1 lbs/MMBtu PM and 1.2 lbs/MMBtu SO_2. Nitrogen oxide emissions are based on the NSPS standard of 0.7 lb/MMBtu both in the original permit and in this renewal application. Emission limits in the original permit were 1,569 tpy PM; 25, 277 tpy Sulfur Dioxide; 15,807 tpy Nitrogen Oxides; 958 tpy Nonmethane VOC; and 1, 916 tpy Carbon Monoxide.

Emission limits proposed in this renewal application are identical to the levels in the original permit for PM, SO_2 and NOx. In this renewal application, the applicant proposed lower emission limits for Nonmethane VOC (82.0 tpy) and CO (684.0 tpy) due to the use of lower AP-42 emission factors. The actual Continuous Emissions Monitoring (CEMS) data indicates that emissions from Unit 3 are under the maximum allowables for SO_2 and NOx. There is also an associated fly ash silo which has emissions of less than 0.1 tpy of PM.

REGULATION VI RULES - RENEWAL REQUIREMENTS

116.312 Public Notification and Comment

A. Date application received: **12/08/97** Date application complete: **8/31/98**

B. Public notice mailed **3/20/98**

C. Pollutants: **NO_x, CO, VOC, SO_2, and PM**

D. Published: **4/7/98** & **4/8/98** in **Mount Pleasant Daily Tribune**

E. Bilingual public notification required? ..... **No**

F. Number of public comments? **0** Technical issues? ..... **No**

Hearing requested? . . . **No** Hearing held? ..... **N/A**

Meeting requested? . . . **No** Meeting held? ..... **N/A**

Comments:

G. Certification of sign posting per 116.133? ..... **Yes**

116.311(d) Date of expiration of permit? **2/25/98**

116.310 Date written notice of review was mailed **05/30/97**

116.310 Date application for Renewal (PI-1R) received? **12/08/97**

116.311(a)(1) Is the facility being operated in accordance with all requirements and representations specified in the current permit and do the emissions from the facility comply with all TNRCC air quality rules and regulations, and with the intent of the Texas Clean Air Act ? ..... **Yes**

116.311(a)(2) Compliance with applicable NSPS? ..... **Yes**

Subparts **A & D**

116.311(a)(3) Compliance with applicable NESHAPS? ..... **N/A**

116.311(b)(1) Is additional information regarding emissions from the facility and their impacts on the surrounding area required? ..... **No**

116.311(b)(2) Does the facility use appropriate control technology, considering costs, age and impact of emissions? ..... **Yes**

116.311© Compliance History

A. Any specified NOVs relating to this permit? ..... **No**

B. Is facility in substantial compliance with TCAA and terms of existing permit? ..... **Yes**

C. Any unresolved nonclerical violations of TNRCC air quality rules? ..... **No**

Remarks:

Southwestern Electric Power Company (SWEPCO) had no formal enforcement action taken in the last five years. The SWEPCO had an NOV of Chapter 111.101 on 02/20/91 which was resolved on 03/05/91. The SWEPCO had an NOV of Chapter 116.4 on 12/04/92 which was resolved on 12/22/92.

116.314(a)	The facility meets all permit renewal requirements?	Yes
116.314(b)	Contested case hearing involved?	No
116.313	Permit Renewal Fee: **$ 10,000** Paid?	Yes

REQUEST FOR COMMENTS

REGION: **5, Tyler**	Reviewed by:	**Charles Murray, 8/30/98, Incorporated Region's comments into the permit.**
CITY:	Reviewed by:	
COUNTY:	Reviewed by:	
TARA:	Reviewed by:	
COMP: **Yes**	Reviewed by:	**Tel Croston, 3/31/97, No problem with this application.**
LEGAL:	Reviewed by:	

REVIEW SUMMARY

PROCESS DESCRIPTION

Unit 3 Boiler is a Babcock & Wilcox Company, drum type, pulverized coal-fired boiler, with a maximum design capacity of 3,793,000 lb/hr of steam generation. Fuel for the boiler is sub-bituminous coal, transported to the plant site by a railcar. The boiler is designed for a coal intake of 312.5 tons/hr with a heat input of 5,156 MMBtu/hr on a as received basis. The pulverized coal is transported by primary air to the burners through a system of coal-air piping. Boiler ignition is accomplished through the use of No.2 fuel oil, supplied from a single 22,000 bbl. storage tank. The boiler has a dry bottom from which ash falls to a water-filled ash hopper. Approximately 90% of this ash is hydraulically sluiced to an off-site vendor for use as raw material. The remaining ash is hydraulically sluiced to a primary ash settling basin where the majority of the suspended solids settle. Partially clarified effluent overflows to a secondary settling basin for additional clarification, and finally effluent is discharged to a cooling lake. Suspended fly ash in the combustion gases is controlled by an electrostatic precipitator that controls particulate emissions through electrostatic collection of charged particles. Combustion gases exiting the electrostatic precipitator are emitted to the atmosphere through a 360 foot rectangular stack. Fly ash is collected in hoppers beneath the electrostatic precipitator and transported by a vacuum pipeline to a storage silo. The fly ash is then transferred to covered trucks and transported off site. Emissions associated with the loading and unloading of the silo are controlled by a 99.8% efficient baghouse dust collection system which returns collected ash to the silo.

SOURCES, CONTROLS AND BACT

The Unit 3 Boiler is the source of the products of combustion, NO_x, CO, VOC, SO_2 and PM. There are PM emissions from the Unit 3 Ash Silo as well. Boiler PM and SO_2 emission rates are originated from the PSD permit allowables. The PSD allowables are below the New Source Performance Standard (NSPS) allowables of 0.1 lbs/MMBtu for PM and 1.2 lbs/MMBtu for SO_2. Boiler NOx emissions are based on the original permitted level of 0.7 lb/MMBtu, which is the NSPS allowable. In this renewal application, the applicant used an AP-42 factor of 0.5 lb/ton for CO (AP-42 for CO was 2.0 lb/ton in the original permit) and an AP-42 factor of 0.06 lb/ton for VOC (AP-42 for VOC was 1.0 lb/ton in the original permit). Applicant has no objection if the emission factors for CO and VOC are kept unchanged in the renewed permit. Low sulfur coal (0.5%S, dry basis) is used as fuel. Boiler PM

emissions are controlled with an Electrostatic Precipitator. PM emissions from the ash silo are controlled with a baghouse.

IMPACTS EVALUATION

1. Was modeling done? Type? **No - Dispersion modeling was performed for Welsh Unit 2 Boiler during the original application.**
2. Will GLC of any air contaminant cause violation of NAAQS? **No - according to PSD Permit**
3. Is this a sensitive location with respect to nuisance? ..... **No**
4. Is the site within 3000 feet of any school? ..... **No**
5. Toxics Evaluation: **N/A**

COMPLIANCE HISTORY

1. Was a NOV issued for construction without a permit? ..... **No**
2. Was the NOV resolved by issuance of permit? ..... **N/A**

MISCELLANEOUS

1. Is applicant in agreement with special conditions? ..... **Yes**
   Company representative(s)? ..... **Mr. Kris Gaus**
   Contacted via? ..... **E-mail, Phone**
   Date of contact? **8/12/98, 8/20/98, 8/24/98, 8/25/98**

Comments: **Per applicant's request, Permit #1166 for Unit 1 Boiler and Permit #4379/PSD-TX-899 for Unit 2 Boiler and PSD Permit No. PSD-TX-3 are consolidated with permit 4381. Also, the following standard exemptions and permit authorizations are rolled in: Permit Authorizations Dated : November 10, 1987; April 3, 1992; August 14, 1998 Standard Exemption Nos. 38370, 33325**

M. Ozden Tamer 8/31/98 9/4/98

Permit Engineer Date Team Leader Date

C:\NSR\FORMS\FM\RNEWTECH.FM

Revised 08-06-97ENDFIELD

ATTACHMENT J

AEP 4.6.1c

Application for Renewal
Permit No. 4379
Welsh Power Station, Unit Two
Titus County, Texas
Account ID No. TF-0012-D

Submitted to:
Texas Natural Resource Conservation Commission
12124 Park 35 Circle
Austin, Texas 78767

Prepared for:
Southwestern Electric Power Company
P.O. Box 21106
Shreveport, Louisiana 71156

Prepared by:
Central And South West Services, Inc.
P.O. Box 660164
Dallas, Texas 75266-0164

February, 1997

TABLE 6

BOILERS AND HEATERS

Type of Device: Utility Boiler	Manufacturer: Babcock & Wilcox Company
Number from flow diagram: EPN 2	Model Number: RB 514

CHARACTERISTICS OF INPUT

Type Fuel	Chemical Composition (% by Weight)	Inlet Air Temp F (after preheat)	Fuel Flow Rate (scfm* or lb/hr)	
Pulverized Coal	Typical Ultimate Analysis Carbon 70.00% Hydrogen 4.86% Oxygen 16.61% Ash 7.14% Sulfur 0.50 % Nitrogen 0.86% Chlorine 0.03%	635	Average 625,000 lb/hr	Design Maximum 625,000 lb/hr
		Gross Heating Value of Fuel	Total Air Supplied and Excess Air	
		(specify units) Typical Value 8,250 Btu/lb	Average ____ scfm* ____ % excess (vol)	Design Maximum 1,000,265 scfm * 17 % excess (vol)

HEAT TRANSFER MEDIUM

Type Transfer Medium	Temperature F		Pressure (psia)		Flow Rate (specify units)	
(Water, oil, etc.)	Input	Output	Input	Output	Average	Design Maximum
Water	488	1005	2820	2635	3,793,000 lb/hr	Same

OPERATING CHARACTERISTICS

Ave. Fire Box Temp. at max. firing rate	Fire Box Volume(ft.^{3}), (from drawing)	Gas Velocity in Fire Box (ft/sec) at max firing rate	Residence Time in Fire Box at max firing rate (sec)
~2,500	434,000	51	~2

STACK PARAMETERS

Stack Diameter	Stack Height	Stack Gas Velocity (ft/sec)		Stack Gas	Exhaust
		(@Ave. Fuel Flow Rate)	(@Max. Fuel Flow Rate)	Temp F	scfm
18' x 12'	360'	170	170	370	1,200,000

CHARACTERISTICS OF OUTPUT

Material	Chemical Composition of Exit Gas Released (% by Volume)
CO_2	12.4%
H_2O	10.3%
O_2	3.3%
N_2	74.0%
	NOx, SO2, CO, and VOC <0.1%, See included Table 1(a)

Attach an explanation on how temperature, air flow rate, excess air or other operating variables are controlled.

Also supply an assembly drawing, dimensioned and to scale, in plan, elevation, and as many sections as are needed to show clearly the operation of the combustion unit. Show interior dimensions and features of the equipment necessary to calculate in performance.

*Standard Conditions: 70 F, 14.7 psia

ACP

Welsh - TACB permits

May 21, 1976

Texas Air Control Board
Permits Section
8520 Shoal Creek Boulevard
Austin, Texas 78758

Gentlemen:

Please find enclosed herewith two copies of the following applications:

Welsh Power Plant - Unit #2 Boiler
Welsh Power Plant - Unit #2 Coal Handling Facilities
Welsh Power Plant - Unit #3 Boiler
Welsh Power Plant - Unit #3 Coal Handling Facilities

It is planned that the generating units to which these applications apply will be substantially duplicate to the Welsh Power Plant - Unit #1 generating unit. In many cases the applications refer to information previously supplied to the Board.

If you need further information with regards to these applications, we will be pleased to supply it.

Very truly yours,

R. A. Neal

Enclosures a/s

cc: Richard Leard w/enclosures

TEXAS AIR CONTROL BOARD
FORM PI-1 GENERAL APPLICATION
(Read Instructions Before Completing.)

I. PERMIT TO BE ISSUED TO: Southwestern Electric Power Company
(Corporation, Company, Government Agency, Firm, etc.)
Mailing address: P. O. Box 1106, Shreveport, Louisiana 71156
Individual authorized to act for applicant: Name: Jay A. Pruett Title: Environmental Coordinator
Address: P. O. Box 1106, Shreveport, LA 71156 Telephone: 318/221-2605

II. LOCATION OF PERMIT UNITS (Latitude and Longitude must be to nearest second):
Name of plant or site: Welsh Street address (if available): None
Nearest city: Mount Pleasant County: Titus Latitude: 33° 03' 30"N (mark) Longitude: 94° 50' 45" W

III. TYPE OF OPERATION OR PROCESS OF PERMIT UNIT:
A. Name of operation or process of permit unit: Electric Generating Plant - Boiler
B. Permit unit identification number: Unit #2 - Boiler #2
C. Type (check one): [X] Permanent [ ] Portable
D. Operating schedule: Hours/day 24 Days/week 7 Weeks/year 49

IV. PERMIT UNIT CLASSIFICATION (Check applicable blocks):
A. [X] New Permit Unit - Proposed start of construction Sept. 1, 1976 (Date) Start of operation March 1, 1980 (Date)
B. [ ] Modification of Permit Unit
C. [ ] Change in Location
D. [ ] Change in Ownership
E. [ ] Permit Unit Now Operating Under Permit Number R

V. If Items IV.A, B, or C were checked, submit the following information under either A or B:
A. [ ] Data requested in B1, B2 and B3 has been previously submitted under Permit No. C-1166
B. [ ] B1. Submit three copies of an area map to approximate scale showing the location of the property, the land use designations for adjacent and nearby lands which may be affected by the emission, geographical features such as highways, roads, streams, and significant landmarks, distance to the center of nearest city or town if located outside an incorporated municipality. If the property is located within a town or city, a city map may be used to present this information, and if outside a town or city, a county highway map may be used. County highway maps may be ordered either through the Texas Highway Department, Austin, Texas or through the State District Highway Engineer for the county.
B2. Give a legal description of the tract of land upon which the plant or facility is located. The term "legal description" means either a metes and bounds description or the block and lot number of a platted subdivision which would be suitable to effectuate the transfer of title to real property.
B3. Submit a plot plan of the property, to scale, showing the boundaries, plant bench mark (latitude-longitude), the location of all emission points of any air contaminants on the property, the distance from each emission point to the nearest boundary line, prevailing wind direction, true north direction, a scale and any other information deemed relevant by the applicant. Identify the emission points by numbers, use the same numbers for those emission points in this permit that will be assigned in the flow diagram and which will be used in present or future emissions inventory questionnaires.

VI. If Item IV.E is not checked, submit the following information: See addendum attached
A. Process Flow Diagram. Prepare and attach a flow diagram identifying significant individual processes and/or operations. Identify (by number) points where raw materials, chemicals, and fuels are introduced, where gaseous emissions and/or airborne particulates may be discharged including intermediate releases where finished products are obtained, and location of pollution control devices.
B. Description of Process. Prepare and attach a written description of each process and of the function of the equipment in the process. (Identify items of equipment by numbers corresponding to flow diagram numbers.) The description must be in sufficient detail to determine the general operation of the process. Particular attention must be given to explaining all stages in the process where there is or may be a discharge of any solid, liquid, or gaseous material(s) into the atmosphere. Estimate number and type of air pollution abatement devices to be used such as 1 electrostatic precipitator, 2 cyclones, 1 incinerator, 2 baghouses, etc.

VII. A copy of the application is being sent to the Regional office of TACB? [X] Yes [ ] No
A copy of the application is being sent to local city or county Air Pollution Control Program? [ ] Yes [X] No

VIII. I John W. Turk, Jr. (Name) Vice President (Title)
state that I have knowledge of the facts herein set forth and that the same are true and correct to the best of my knowledge and belief. I further state that to the best of my knowledge and belief, the project for which application is made will not in any way violate any provision of the Texas Clean Air Act, Article 4477-5, Vernon's Texas Civil Statutes, as amended, or any of the rules and regulations of the Texas Air Control Board or any local governmental ordinance or resolution enacted pursuant to the Texas Clean Air Act.
DATE May 19, 1976 SIGNATURE John W. Turk

SWEPCO 01818

ADDENDUM TO FORM PI-1

Item VI - This required information is identical to that accompanying the application for Welsh Unit #1 (Permit No. C-1166) which was submitted to the Texas Air Control Board on June 25, 1973, with supplemental information submitted on July 26, 1973, and as revised in letter dated May 7, 1976.

TABLE 1
EMISSION SOURCES

List all sources, including this application, of air contaminants on applicant's property. If applicant has submitted this information in an earlier emission inventory, it will not be necessary to duplicate the requested information. Instead, indicate that this page has been submitted and list only changes from the emission inventory and list new source data.

ALL SOURCES				STACKS ONLY					
EMISSION POINT NUMBER from plot plan	LIST POLLUTANT EMISSIONS (CHEMICAL COMPOSITION) & WT. OF EACH	FLOW RATE OF EACH LISTED EMISSION		EMISSION POINT NUMBER from plot plan	STACK HEIGHT ABOVE GROUND (ft.)	STACK INTERNAL DIAMETER AT EXIT (ft.)	TEMP. DEG. (F)	VELOCITY (FT/SEC)	MOIS. %
		GASEOUS	PARTICULATE						
	Information identical to that accompanying application for Welsh Unit #1								
	(Permit No. C-1166) which was submitted to the Texas Air Control Board on								
	June 25, 1973, with supplemental information submitted on July 26, 1973,								
	and letter dated May 7, 1976.								

ENCLOSE THE FOLLOWING INFORMATION:

1. EMISSIONS OTHER THAN THROUGH STACKS (HORIZONTAL VENTS, ETC.)
2. STACK'S HEIGHT ABOVE SUPPORTING OR ADJACENT STRUCTURES.
3. DIMENSIONS OF NON-CIRCULAR STACKS.
4. RESULTS OF TESTS INDICATING AVERAGE PARTICLE SIZE, DENSITY, ETC.

Particle size: During normal operation, the outlet particle size distribution from Welsh Unit #2 precipitator installation is expected to be as follows:

100% less than 10 microns 99.7% less than 2.5 microns
100% less than 5 microns 80% less than 1 micron

FORM PI-2 (74-7)

TABLE 6

BOILERS AND HEATERS

Type of Device: Boiler — Manufacturer: Babcock and Wilcox

Number from flow diagram: — Model Number:

CHARACTERISTICS OF INPUT

Type Fuel	Chemical Composition (% by Weight)	Inlet Air Temp °F (after preheat)	Fuel Flow Rate (scfm* or lb/hr)	
Coal	Ultimate Analysis	Avg. / Max.	Average	Design Maximum
	Carbon 70.00%	575°F / 635°F	261,100 lb/hr	437,500 lb/hr (dry)
	Hydrogen 4.86			
	Oxygen 16.61	Gross Heating Value of Fuel (dry)	Total Air Supplied and Excess Air	
see attachment "C" of Unit #1 application	Nitrogen .86	(specify units)	Average	Design Maximum
	Sulfur .50	11,780 BTU/lb	770,000 scfm* see addendum % excess (vol)	1,000,265 scfm* 17 % excess (vol)
	Ash 7.14			
	Chlorine .03			
	100.00%			

HEAT TRANSFER MEDIUM

Type Transfer Medium	Temperature °F		Pressure (psia)		Flow Rate (specify units)	
(Water, oil, etc.)	Input (max)	Output (max)	Input	Output	Average	Design Maximum
Water	(water) 488°F	(SH steam) 1005°F	2820 psia	2635 psia	60% 2,100,000 lb/hr	3,793,000 lb/hr

OPERATING CHARACTERISTICS

Ave. Fire Box Temp. at max. firing rate	Fire Box Volume (ft^3), (from drawing)	Gas Velocity in Fire Box (ft/sec) at max firing rate	Residence Time in Fire Box at max firing rate (sec)
Approx. 2500°F	434,000 ft^3	51 ft/sec	Approx 2 sec

STACK PARAMETERS

Stack Diameters	Stack Height	Stack Gas Velocity (ft/sec)		Stack Gas	Exhaust
		(@Ave. Fuel Flow Rate)	(@Max. Fuel Flow Rate)	Temp °F	scfm
rectangular 12 ft. x 18 ft.	300 feet (above ground elev. 240 MSL)	87 ft/sec	Design - 135 ft/sec	275°F	1,255,978

CHARACTERISTICS OF OUTPUT

Material	Chemical Composition of Exit Gas Released (% by Volume)
CO_2	12.4
H_2O	10.3
O_2	3.3
N_2	74.0
NO_x and SO_2	See attachment "C" (revised as of Nov. 18, 1975) of Unit #1 application

Attach an explanation on how temperature, air flow rate, excess air or other operating variables are controlled.

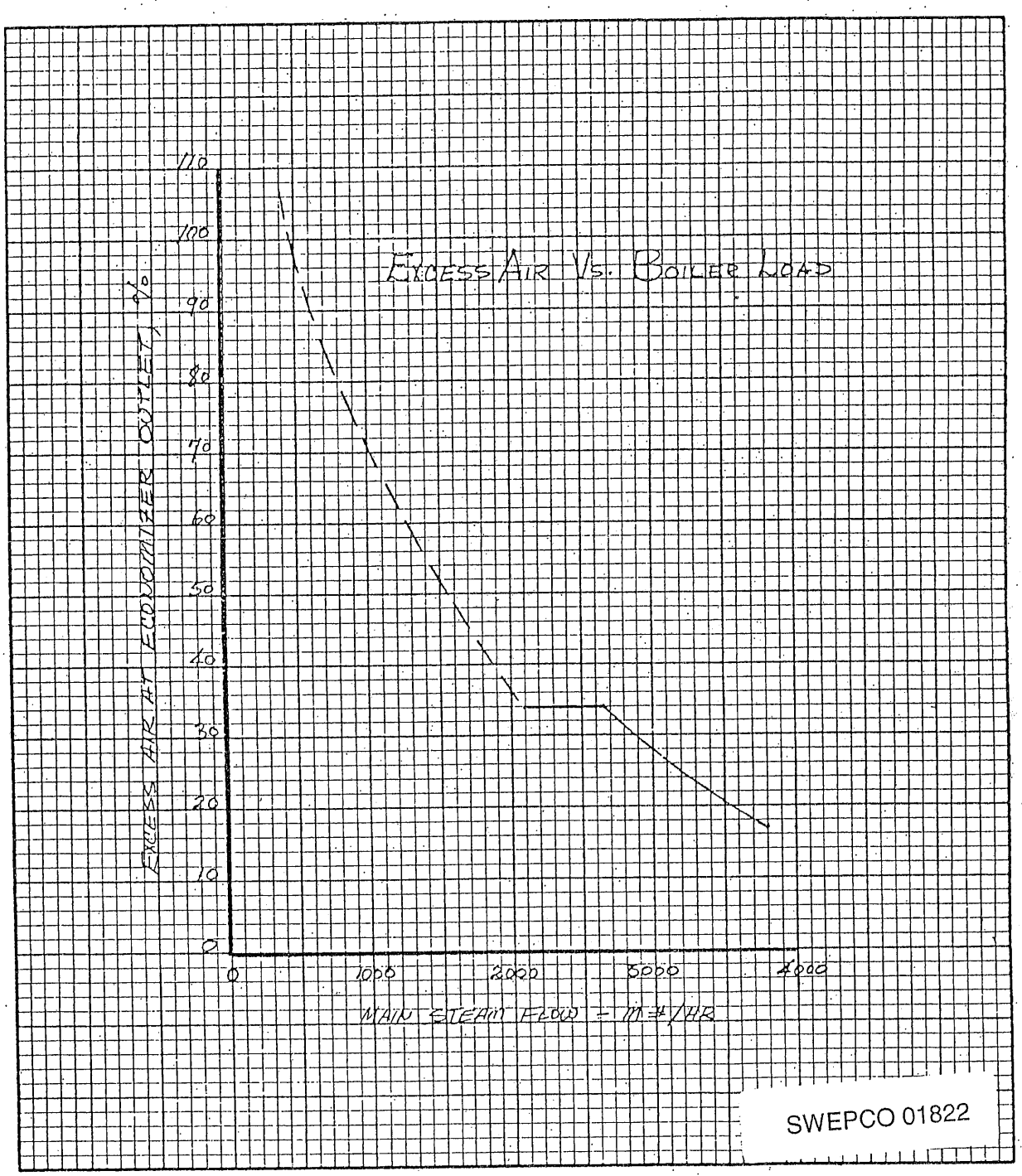
Also supply an assembly drawing, dimensioned and to scale, in plan, elevation, and as many sections as are needed to show clearly the operation of the combustion unit. Show interior dimensions and features of the equipment necessary to calculate in performance. See Attachment "F" of Unit #1 application

* Standard Conditions: 70°F, 14.7 psia

BDS 2159-2

Addendum to Table 6

THE BABCOCK & WILCOX COMPANY
POWER GENERATION DIVISION



SWEPCO 01822

These curves are submitted for the Purchaser's convenience and the performance indicated thereon shall not be offered by the Company nor construed by the Purchaser as a proposal or contract obligation.

DRAWN	DATE	APP'D	
RAC			THIS DRAWING IS THE PROPERTY OF THE BABCOCK & WILCOX COMPANY AND IS LOANED UPON CONDITION THAT IT IS NOT TO BE REPRODUCED OR COPIED, IN WHOLE OR IN PART, OR USED FOR FURNISHING INFORMATION TO OTHERS, OR FOR ANY OTHER PURPOSE DETRIMENTAL TO THE INTERESTS OF THE BABCOCK & WILCOX COMPANY AND IS TO BE RETURNED UPON REQUEST.

P1-5565-2781

TABLE 12

ELECTROSTATIC PRECIPITATORS

Point Number (from Flow Diagram)	Manufacturer & Model No. (if available)
	Research-Cottrell
Name of Abatement Device	**Type of Particulate Controlled**
Electrostatic Precipitator	Fly Ash

GAS STREAM CHARACTERISTICS

Flow Rate (acfm)		Gas Stream Temperature (°F)	Particulate Grain Loading (grain/scf)	
Design Maximum	Average Expected		Inlet	Outlet
3,025,000	2,281,000	750°F	Design 2° 5.0 (Preliminary)	.02

Pressure Drop (in. H_2O)	Water Vapor Content of Effluent Stream (lb water/lb dry gas)	I.D. Fan Requirements (275°F) (hp)	(ft³/min) (-24.66 in. water)
.33	.086	5.250 hp	.097542 ft3/min

PARTICULATE DISTRIBUTION (By Weight)

Micron Range	Inlet	Outlet
0.0-0.5	3 %	80 %
0.5-1.0	3 %	%
1.0-5.0	25 %	20 %
5-10	12 %	0 %
10-20	19 %	0 %
over 20	38 %	0 %

PRECIPITATOR CHARACTERISTICS

Number of Stages	Number of Plates	Plate Spacing	Number of Discharge Electrodes	Spacing Between Electrodes and Plates
4 mechanical 8 electrical	1728	9"	20,352	4.5"

Length of Plates (ft)	Width of Plates	Potential Applied (KV/in)	Cross-sectional Area of Precipitator (ft^2)	Cross-sectional of Inlet Duct (ft^2)
30'	9'	10 kV/in. (rms)	9540 ft^2	1050 ft^2

Precipitator Volume (ft^3)	Residence Time in Precipitator (sec)	Type of Collecting Electrode Tubular / Plate
343,440 ft^3	6.82	9' x 30' x .0359"

Method of Frequency of dust removal from collection hopper: Vacuum emptied into silo. Frequency as required up to 16 hr. interval

Describe frequency and type of rapping employed: collector: gravity impact. freq. & intensity adjustable. discharge: freq. and intensity adjustable (See Attachment "G" of Unit #1 application)

ADDITIONAL INFORMATION

On separate sheets attach the following:

A. Details regarding principle of operation

B. An assembly drawing (Front and Top View) of the abatement device dimensioned and to scale clearly showing the design size and shape. See Attachment "H" of Unit #1 application

If the device has bypasses, safety valves, etc., include in drawing and specify when such bypasses are to be used and under what conditions. No bypasses or safety valves

SWEPCO 01823

TEXAS AIR CONTROL BOARD

FORM PI-1 GENERAL APPLICATION

(Read Instructions Before Completing.)

I. PERMIT TO BE ISSUED TO: Southwestern Electric Power Company
(Corporation, Company, Government Agency, Firm, etc.)

Mailing address: P. O. Box 1106, Shreveport, Louisiana 71156

Individual authorized to act for applicant: Name: Jay A. Pruett Title: Environmental Coordinator

Address: P. O. Box 1106, Shreveport, LA 71156 Telephone: 318/221-2605

II. LOCATION OF PERMIT UNITS (Latitude and Longitude must be to nearest second):

Name of plant or site: Welsh Street address (if available): None (Rural highway mark)

Nearest city: Mount Pleasant County: Titus Latitude: 33° 03' 30"N Longitude: 94° 50' 45"W

III. TYPE OF OPERATION OR PROCESS OF PERMIT UNIT:

A. Name of operation or process of permit unit: Electric Generating Plant - Coal Handling Facilities

B. Permit unit identification number: Unit #2 - Coal Handling Facilities

C. Type (check one): [X] Permanent [ ] Portable

D. Operating schedule: Hours/day: 24 Days/week: 7 Weeks/year: 49

IV. PERMIT UNIT CLASSIFICATION (Check applicable blocks):

A. [X] New Permit Unit Proposed start of construction (Date): Sept. 1, 1976 Start of operation (Date): March 1,1980

B. [ ] Modification of Permit Unit

C. [ ] Change in Location

D. [ ] Change in Ownership

E. [ ] Permit Unit Now Operating Under Permit Number: R

V. If Items IV.A, B, or C were checked, submit the following information under either A or B:

A. Data requested in B1, B2 and B3 has been previously submitted under Permit No. C-1576

B.1. Submit three copies of an area map to approximate scale showing the location of the property, the land use designations for adjacent and nearby lands which may be affected by the emission, geographical features such as highways, roads, streams and significant landmarks, distance to the center of nearest city or town if located outside an incorporated municipality. If the property is located within a town or city, a city map may be used to present this information, and if outside a town or city, a county highway map may be used. County highway maps may be ordered either through the Texas Highway Department, Austin, Texas or through the State District Highway Engineer for the county.

B.2. Give a legal description of the tract of land upon which the plant or facility is located. The term "legal description" means either a metes and bounds description or the block and lot number of a platted subdivision which would be suitable to effectuate the transfer of title to real property.

B.3. Submit a plot plan of the property, to scale, showing the boundaries, plant bench mark (latitude-longitude), the location of all emission points of any air contaminants on the property, the distance from each emission point to the nearest boundary line, prevailing wind direction, true north direction, a scale, and any other information deemed relevant by the applicant. Identify the emission points by numbers, use the same numbers for those emission points in this permit that will be assigned in the flow diagram and which will be used in present or future emissions inventory questionnaires.

VI. If Item IV.E is not checked, submit the following information: See Addendum attached

A. Process Flow Diagram. Prepare and attach a flow diagram identifying significant individual processes and/or operations. Identify (by number) points where raw materials, chemicals, and fuels are introduced, where gaseous emissions and/or airborne particulates may be discharged including intermediate releases where finished products are obtained, and location of pollution control devices.

B. Description of Process. Prepare and attach a written description of each process and of the function of the equipment in the process. (Identify items of equipment by numbers corresponding to flow diagram numbers.) The description must be in sufficient detail to determine the general operation of the process. Particular attention must be given to explaining all stages in the process where there is or may be a discharge of any solid, liquid or gaseous material(s) into the atmosphere. Estimate number and type of air pollution abatement devices to be used such as 1 electrostatic precipitator, 2 cyclones, 1 incinerator, 2 baghouses, etc.

VII. A copy of the application is being sent to the Regional office of TACB? [X] Yes [ ] No

A copy of the application is being sent to local city or county Air Pollution Control Program? [ ] Yes [X] No

VIII. I, John W. Turk, Jr. Vice President
(Name) (Title)

state that I have knowledge of the facts herein set forth and that the same are true and correct to the best of my knowledge and belief. I further state that to the best of my knowledge and belief, the project for which application is made will not in any way violate any provision of the Texas Clean Air Act, Article 4477-5, Vernon's Texas Civil Statutes, as amended, or any of the rules and regulations of the Texas Air Control Board or any local governmental ordinance or resolution enacted pursuant to the Texas Clean Air Act.

DATE: May 19, 1976 SIGNATURE: John W. Turk, Jr.

SWEPCO 01824

ADDENDUM TO FORM PI-1

The coal handling facilities for Welsh Power Plant -- Unit #1 (Permit C-1576) will be used to supply coal to Unit #2. The conveyors in the tripper room of Unit #1 will be extended to a tripper room over the bunkers of Unit #2. The dust suppression system for the bunkers will be of the same general design as the information submitted with our letter dated May 7, 1976 with regard to Permit C-1576, and related Permit C-1166.