



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 6  
1445 ROSS AVENUE, SUITE 1200  
DALLAS TX 75202-2733

JUL 02 2010

Mr. Steve Hagle, P.E., Director  
Air Permits Division  
Office of Permitting and Registration  
Texas Commission on Environmental Quality (MC 163)  
P.O. Box 13087  
Austin, TX 78711-3087

Re: EPA Comments on Federal Operating Permit No. O15, Southwestern Public Service Company, Harrington Station Power Plant, Potter County, Texas

Dear Mr. Hagle:

On May 17, 2010, we received TCEQ's resubmittal of a proposed significant revision to the Title V permit for the Southwestern Public Service Company, Harrington Station Power Plant referenced above. The draft Title V permit incorporates Prevention of Significant Deterioration (PSD) Permit Nos. PSDTX631M1 and PSDTX017M2 by reference. Our comments on this permitting action are enclosed.

EPA objected to the original submittal of the proposed Title V permit on December 11, 2009. The TCEQ Executive Director's Response to EPA Objection was sent to EPA on March 9, 2010, in response to EPA's objections, with a follow up letter dated June 30, 2010. On June 10, 2010, the company requested the inclusion of the *Federally Enforceable Unit Specific Emission Limitations for Individual Emission Units* Table in the proposed Title V permit and forwarded a copy to EPA for review. TCEQ agreed to add the table to the proposed permit. The table incorporates emission limits included in the underlying PSD permits that are incorporated by reference and physically attached to the body of the Title V permit.

EPA has reviewed the re-proposed draft Title V permit in addition to TCEQ's responses. Of the three objections contained in EPA's December 11, 2009 letter, two have been resolved through changes to permit terms and conditions. However, questions remain with the resolution of the first objection, incorporation by reference of a PSD permit. In particular, we do not fully understand the basis of some of the unit specific emission limitations, particularly the emission rates for NO<sub>x</sub> and SO<sub>2</sub> (lb/MMBtu) included in the *Federally Enforceable Unit Specific Emission Limitations for Individual Emission Units* table (see Comment No.1 in the Enclosure).

Should the Title V permit be issued without resolving the concerns identified in the Enclosure and EPA determines these concerns have merit, EPA may reopen the Title V permit for cause, pursuant to 40 CFR § 70.7(f) and (g). We are committed to working with the TCEQ to ensure that the final Title V permit is consistent with all applicable requirements, including the federally-approved Texas SIP and Title V program. If you have questions or wish to discuss this further, please contact Jeff Robinson, Chief, Air Permits Section at 214-665-6435, or Stephanie Kordzi, Texas Permit Coordinator at (214) 665-7520. Thank you for your cooperation.

Sincerely yours,

A handwritten signature in blue ink that reads "Jeff R. Wiley for". The signature is written in a cursive style.

Jeff Robinson  
Chief  
Air Permits Section

Enclosure

cc: Mr. Ron Dutton, Manager, Environmental Affairs  
Southwestern Public Service Company

## Enclosure

### Comments:

1. On June 10, 2010, the company submitted the *Federally Enforceable Unit Specific Emission Limitations for Individual Emission Units* table for inclusion into the Title V permit. We understand that the table was prepared in an effort to resolve an objection in our December 11, 2009, objection letter and TCEQ has agreed to its inclusion into the Title V permit. We have concerns with the contents of the table itself. After reviewing the table, we request that the permit record (as well as the table itself) be clarified to include the appropriate basis for the unit specific emission rates for NO<sub>x</sub> and SO<sub>2</sub> (lb/MMBtu) stated in the *Federally Enforceable Unit Specific Emission Limitations for Individual Emission Units* table. We note the table indicates the emission rates referenced are in effect and are based on 40 CFR § 60.45(b)(3) and 40 CFR Part 75. However, we are interested in whether Prevention of Significant Deterioration (PSD) was ever triggered for these units resulting in requirements for federal best available control technology (BACT) being implemented. Has an applicable BACT emission rate been established for NO<sub>x</sub> and SO<sub>2</sub> for Emission Point Numbers HS-1, 2-1, and 3-1? It is important that the most stringent applicable emission rate (i.e., New Source Performance Standards or BACT) be applied to Emission Point Numbers HS-1, 2-1, and 3-1. We also note that the Preliminary Determination Summaries (PDS) for both PSD permits that were prepared in 2008 (PSDTX017M1 for Units 2 and 3) and 2009 (PSDTX631M1 for Unit 1) referenced NO<sub>x</sub> emission rates of 0.225 lb/MMBtu and 0.25 lb/MMBtu, respectively; the table lists the emission rates for NO<sub>x</sub> for all three units as ranging from 0.2 – 0.7 lb/MMBtu (3-hr. rolling avg.), dependent on the fuel, and 0.4 lb/MMBtu (annual avg.) and creates uncertainty as to the correct emission limitations. The table lists the emission rate for SO<sub>2</sub> for all three units as 1.2 lb/MMBtu (3-hr. rolling avg.). Please explain the discrepancies to EPA and provide the prevailing emission limitations in the *Federally Enforceable Unit Specific Emission Limitations for Individual Emission Units* table.
2. Permit Condition 7 – In accordance with 40 CFR § 70.6(a)(1)(i), if special conditions are granted, permit conditions must define and provide regulatory citations referencing proper authority allowing TCEQ to grant the special exemptions. EPA was unable to discern from the Table whether any had been granted for this facility. Please explain to EPA whether any special exemptions have been granted and the regulatory basis of those exemptions.
3. According to a PDS for an amendment to NSR permit No. 3080 and PSDTX017M1, the draft Title V permit contains a Pollution Control Project (PCP). The PSD permit states in section III, paragraph two, “The current pollution control project amendment is for low NO<sub>x</sub> modifications....” Paragraph three of section III then states, “NSR Permit Number 3080 will be amended and concurrently rolled into NSR Permit 5129 and PSDTX017M1, the latter of which will be modified to become PSDTX017M2”. It is therefore assumed that the PCP was incorporated into NSR Permit 5129, although the TCEQ New Source Review Air Permits Database does not currently reflect this. The PCP amendment would

be authorized under the provisions of 30 TAC 116.617. TCEQ's creation of a PCP Standard Permit that can be used by sources may not fit within the scope or intent of our original approval of TCEQ's standard permit program (see 68 Fed. Reg. 64548, November 14, 2003). Specifically Southwestern Public Service Company should provide an analysis of major PSD, Non-attainment New Source Review (NNSR) applicability, or a minor New Source Review (NSR) case-by-case review for the proposed activities. TCEQ must then make a determination on these analyses and notify EPA of their findings.

4. The draft permit incorporates individual NSR permit 16383 and Permits by Rule (PBR) permit numbers 106.102, 106.227, 106.261, 106.262, 106.454, 106.472, 106.511, 014, 051, 053, 070, 008, and 084. Please note our letter dated June 10, 2010. We have significant concerns related to the adequacy of permitting associated with TCEQ's use of incorporation by reference for Minor New Source Review permits and PBRs. Particular issues of concern include, but are not limited to, PBRs that purport to modify Major NSR emission limits and that lead to the controlling limit not being reflected in the body of the Title V permit, failure of the TCEQ to make the currently applicable Minor NSR permits and PBRs readily available to the public, and the practical inability of EPA and the public to determine the applicable emission limitations and standards for each particular emissions unit.