

Texas Commission on Environmental Quality

INTEROFFICE MEMORANDUM

To: Air Permits Division and
Field Operations Staff

Date: January 19, 2006

From: Richard A. Hyde, P.E., Director
Air Permits Division

Subject: Electric Generators Under Permit by Rule (Revised)

Introduction: This memorandum revises the November 10, 2004 memorandum, same subject. It is intended to clarify the authorization mechanism for some engines or turbines used for electric generation under permit by rule (PBR) §106.512.

Issue/Discussion: The agency issued a standard permit for electric generating (EG) facilities in June, 2001 to update technical requirements for combustion units which generate electricity throughout the state. This standard permit was focused on an anticipated number of small electric generating units that are becoming an option for electric customers as an alternative to central station generating units as a primary source of electricity due to electric restructuring and electric reliability concerns. These EGs, sited at or near a load that will use all or most of the electricity generated, may be equipped to export electricity to the electrical grid. The standard permit was designed to provide a streamlined permitting method to encourage the use of "clean" EG technologies in these circumstances.

During a concurrent update to PBR §106.512, engines and turbines used to generate electricity were not allowed to use the PBR except for a few circumstances which were stated in the PBR. However, during this rulemaking, certain clarifications were inadvertently omitted, including the exception for any electric generating facility site which cannot be connected to an electric grid. Since these facilities were never intended to be excluded from the PBR, this memorandum is needed to document the availability of PBR §106.512 for their use.

Action: Effective immediately, PBR §106.512 may be claimed to authorize engines or turbines used to generate electricity exclusively for on-site use at locations which cannot be connected to an electric grid. This memorandum does not apply to any other facility type and will expire upon adoption of the revised PBR §106.512.