

# Texas Commission on Environmental Quality

## Interoffice Memorandum

**To:** Commissioners **Date:** May 22, 2024  
**Thru:** Laurie Gharis, Chief Clerk  
Kelly Keel, Executive Director  
**From:** Richard C. Chism, Director  
Office of Air  
**Docket No.:** 2023-1658-MIS  
**Subject:** Commission Approval for Proposed Non-Rulemaking  
New Air Quality Standard Permit for Natural Gas Electric Generating Units  
Rule Project No. 2024-005-OTH-NR

### **Background and reason(s) for the standard permit:**

The Texas Commission on Environmental Quality (TCEQ or commission) is seeking a new non-rule air quality standard permit for natural gas fired electric generating units (EGUs) under the authority of the Texas Clean Air Act (TCAA), Texas Health and Safety Code (THSC), §382.05195, Standard Permit; and 30 Texas Administrative Code (TAC) Chapter 116, Subchapter F, Standard Permits. The standard permit analysis required by statute includes the evaluation of Best Available Control Technology (BACT) and is based on a comprehensive evaluation of air emissions and potential impacts.

The proposed standard permit would provide a preconstruction authorization that may be used by any natural gas fired EGU complying with the standard permit requirements provided the natural gas (NG) EGU is not prohibited by other local, state, or federal permitting statutes or regulations. The new standard permit would provide applicants with more flexibility when seeking authorization of NG EGUs at a site and serves as an alternative option to the existing Non-Rule Air Quality Standard Permit for Electric Generating Units.

### **Scope of the standard permit:**

#### **A.) Summary of what the standard permit would do:**

The proposed standard permit would authorize NG EGUs that generate electricity for use by the owner or operator and/or generate electricity to be sold to the electric grid. The standard permit would only be applicable to spark-ignited internal combustion engines firing natural gas and excludes boilers and turbines. It would include operating specifications and emission limitations for typical natural gas engines during routine operation and planned maintenance, startup, and shutdown (MSS). The standard permit can be used to reauthorize existing engines authorized under Permit by Rule (PBR) or the existing EGU standard permit, provided that the entire engine is reauthorized under the NG EGU standard permit. The standard permit cannot be used to modify existing engines authorized under 30 TAC Chapter 116 Subchapter B, Subchapter C, or Subchapter G.

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**B.) Scope required by federal regulations or state statutes:**

The proposed standard permit is authorized by the TCAA, THSC, Chapter 382 and is based on a comprehensive evaluation of air emissions and applicable air quality standards and screening levels.

**C.) Additional staff recommendations that are not required by federal rule or state statute:**

None.

**Statutory authority:**

The proposed standard permit would be adopted under:

- THSC, §382.011, General Powers and Duties
- THSC, §382.023, Orders
- THSC, §382.051, Permitting Authority of the Commission; Rules.
- THSC, §382.0513, Permit Conditions
- THSC, §382.05195, Standard Permit

**Effect on the:**

**A.) Regulated community:**

The proposed standard permit will serve as an alternative option to the existing Non-Rule Air Quality Standard Permit for EGUs by providing more flexibility when seeking authorization.

**B.) Public:**

The public will benefit from the non-rule standard permit because the conditions of the standard permit allow the commission to ensure that sites are operating under regulations that are protective of human health and the environment and meet BACT requirements.

**C.) Agency programs:**

Agency programs will not be significantly affected by the creation of the non-rule standard permit.

**Stakeholder meetings:**

The commission did not hold any stakeholder meetings related to the development of this standard permit. The proposed new standard permit will undergo the required 30-day public comment period and a public hearing will be held.

**Public Involvement Plan**

In addition to the statutory public notice requirements, TCEQ developed a public involvement plan to assess and determine public participation. A plain language summary will also be provided.

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**Alternative Language Requirements**

Notice of the proposed standard permit will be published in both English and Spanish in the Austin, Dallas, and Houston areas. A plain language summary and the Executive Summary will be provided in English and Spanish. The public will have an opportunity to request additional communication accommodations, including live translation services, for the public meeting.

**Potential controversial concerns and legislative interest:**

There have been no known controversial concerns or legislative interest.

**Would this standard permit affect any current policies or require development of new policies?**

No. Proposal of this standard permit will not significantly affect internal policies.

**What are the consequences if this standard permit does not go forward? Are there alternatives to non-rulemaking?**

If the non-rule standard permit does not go forward, applicants for NG EGUs needing permit flexibility will need to be authorized under the existing Air Quality Standard Permit for Electric Generating Units or under a case-by-case new source review permit. There are no other practical alternatives to the non-rule standard permit.

**Key points in the proposal standard permit schedule:**

**Anticipated *Texas Register* publication date:** June 28, 2024

**Anticipated public meeting date:** July 30, 2024

**Anticipated public comment period:** June 19, 2024 - July 30, 2024

**Anticipated adoption date:** February 2025

**Agency contacts:**

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**Attachments:**

None

cc: Chief Clerk, 2 copies  
Executive Director's Office  
Jim Rizk  
Krista Kyle  
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Office of General Counsel  
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