

US EPA ARCHIVE DOCUMENT

Calpine Corporation, Channel Energy Center
Prevention of Significant Deterioration Permit for Greenhouse Gas Emissions
PSD-TX-955-GHG

Summary of Revisions in Final Permit

U.S. Environmental Protection Agency
November 28, 2012

Summary of the Formal Public Participation Process

The U.S. Environmental Protection Agency, Region 6 (EPA) proposed to issue a Prevention of Significant Deterioration (PSD) permit to the Calpine Corporation (“Calpine”), Channel Energy Center (CEC) on August 30, 2012. The public comment period on the draft permit began August 30, 2012 and closed on October 1, 2012. EPA announced the public comment period through a public notice published in *Pasadena Citizen* on August 30, 2012 and on Region 6’s website. EPA also notified agencies and municipalities on August 28, 2012 in accordance with 40 CFR Part 124.

The Administrative Record for the draft permit was made available at EPA Region 6’s office. EPA also made the draft permit, Statement of Basis and other supporting documentation available on Region 6’s website and at the Pasadena Public Library in Pasadena, TX.

EPA’s public notice for the draft permit also provided the public with notice of the public hearing. The public notice stated that “Any requests for a public hearing must be received by EPA by email or mail by September 25, 2012, and must state the nature of the issues proposed to be raised in the hearing...*EPA has the right to cancel a public hearing if no request for a public hearing is received by September 25, 2012 or EPA determines that there is not significant interest. If the hearing is cancelled, EPA will post an announcement of the cancellation by September 27, 2012 on EPA’s website <http://yosemite.epa.gov/r6/Apermit.nsf/AirP>. Individuals may also call the EPA at the above contact number to determine if the public hearing has been cancelled.*” EPA did not receive any written comments concerning the draft permit during the comment period, and did not receive any written requests for a public hearing. EPA posted its announcement that there would not be a hearing on September 27, 2012.

Revisions in Final Permit

The following is a list of administrative and clarifying changes for Calpine, *Channel Energy Center (PSD-TX-955-GHG) Prevention of Significant Deterioration Permit, Final Permit Conditions*.

1. Cover Sheet

The cover sheet titled “Prevention of Significant Deterioration Permit for Greenhouse Gas Emissions Issued Pursuant to the Requirements at 40 CFR §52.21” has been modified to state the following:

In accordance with 40 CFR §124.15(b)(3), this PSD Permit becomes effective ~~30 days after the service of notice of this final decision unless review is requested on the permit pursuant to 40 CFR §124.19~~ immediately upon issuance of this final decision.

This administrative change is made as a result of not receiving any comments during the comment period related to this action.

Revisions in Statement of Basis

The following is a list of administrative and clarifying changes for *Channel Energy Center (PSD-TX-955-GHG) Prevention of Significant Deterioration Permit*, Statement of Basis.

1. A numerical error was identified in Paragraph 1 of Section V of the Statement of Basis and should have been reflected as follows:

EPA concludes Calpine's proposed modification is subject to PSD review for the pollutant GHG, because the project would lead to an emissions increase of GHGs for a facility as described at 40 CFR §§ 52.21(b)(23) and (49)(iv). Under the project, GHG emissions are calculated to increase over zero tons per year (tpy) on a mass basis and well exceed the applicability threshold of 75,000 tpy CO₂e. (EPA calculates CO₂e emissions of ~~1,045,635~~ 985,501 tpy in the initial phase of construction which is increased to ~~1,060,783~~ 1,003,516 tpy after the final phase of construction). EPA Region 6 implements a GHG PSD FIP for Texas under the provisions of 40 CFR § 52.21 (except paragraph (a)(1)). See 40 CFR § 52.2305.

No changes were made to the Statement of Basis, instead the Permit Revisions Summary shows the reflected changes to the Statement of Basis. The draft Permit at Public Notice represented accurately the CO₂ emissions for both the initial phase and the final phase construction.

Endangered Species Act

The Endangered Species Act information provided in the Statement of Basis has changed. In the original Statement of Basis dated July 30, 2012, EPA previously determined that the issuance of the permit would not affect the smalltooth sawfish (*Pristis pectinata*), the red-cockaded woodpecker (*Picoides borealis*), the whooping crane (*Grus americana*), the Louisiana black bear (*Ursus americanus luteolus*), and the red wolf (*Canis rufus*), but issuance of the permit "may affect, but would not likely adversely affect" the Houston toad (*Bufo houstonensis*), Texas prairie dawn flower (*Hymenoxys texana*), West Indian manatee (*Trichechus manatus*), green sea turtle (*Chelonia mydas*), Kemp's ridley sea turtle (*Lepidochelys kempii*), loggerhead turtle (*Caretta caretta*) and leatherback sea turtle (*Dermochelys coriacea*). Following a request to the U.S. Fish and Wildlife Service (USFWS) and National Oceanographic and Atmospheric Administration's National Marine Fisheries Service (NMFS) for concurrence with that determination, NMFS requested, by email dated August 20, 2012, additional analysis of impacts of air emissions and wastewater discharges on potentially "affected" listed species due to the project. Calpine and their consultants, Zephyr Environmental Corporation, responded by submitting information as an Addendum to the Biological Assessment (BA) on November 5, 2012.

Based on the new information contained in the Addendum, EPA now determines that issuance of the permit will have no effect on the Houston toad, Texas prairie dawn flower, West Indian manatee, green sea turtle, Kemp's ridley sea turtle, loggerhead turtle and leatherback sea turtle. EPA withdrew its request for concurrence from NMFS and USFWS with a notification to both agencies. CEC's Biological Assessment and the Addendum to the Biological Assessment can be found at EPA's Region 6 Air Permits website at <http://yosemite.epa.gov/r6/Apermit.nsf/AirP>.

