

US EPA ARCHIVE DOCUMENT

**PREVENTION OF SIGNIFICANT DETERIORATION PERMIT
FOR GREENHOUSE GAS EMISSIONS
ISSUED PURSUANT TO THE REQUIREMENTS AT 40 CFR § 52.21**

U.S. ENVIRONMENTAL PROTECTION AGENCY, REGION 6

PSD PERMIT NUMBER: PSD-TX-1288-GHG

PERMITTEE: La Paloma Energy Center, LLC
4011 West Plano Parkway, Suite 128
Plano, TX 75093

FACILITY NAME: La Paloma Energy Center, LLC
La Paloma Energy Center (LPEC)

FACILITY LOCATION: 24684 FM 1595
Harlingen, TX 78550

Pursuant to the provisions of the Clean Air Act (CAA), Subchapter I, Part C (42 U.S.C. Section 7470, *et. Seq.*), and the Code of Federal Regulations (CFR) Title 40, Section 52.21, and the Federal Implementation Plan at 40 CFR § 52.2305 (effective May 1, 2011 and published at 76 FR 25178), the U.S. Environmental Protection Agency, Region 6 is issuing a *Prevention of Significant Deterioration* (PSD) permit to La Paloma Energy Center, LLC (La Paloma) for Greenhouse Gas (GHG) emissions. The Permit applies to the construction of a new natural gas fired combined cycle electric generating plant, La Paloma Energy Center (LPEC), to be located near Harlingen, Cameron County, Texas.

La Paloma is authorized to construct a new natural gas fired combined cycle electric generating plant as described herein, in accordance with the permit application (and plans submitted with the permit application), the federal PSD regulations at 40 CFR § 52.21, and other terms and conditions set forth in this PSD permit in conjunction with the corresponding Texas Commission on Environmental Quality (TCEQ) PSD permit No. PSD-TX-1288. Failure to comply with any condition or term set forth in this PSD Permit may result in enforcement action pursuant to Section 113 of the Clean Air Act (CAA). This PSD Permit does not relieve La Paloma of the responsibility to comply with any other applicable provisions of the CAA (including applicable implementing regulations in 40 CFR Parts 51, 52, 60, 61, 72 through 75, and 98) or other federal and state requirements (including the state PSD program that remains under approval at 40 CFR § 52.2303).

In accordance with 40 CFR §124.15(b), 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.

David F. Garcia, Acting Director
Multimedia Planning and Permitting Division

Date

Draft for March 20, 2013 public notice.

La Paloma LLC (PSD-TX-1288-GHG)
Prevention of Significant Deterioration Permit
For Greenhouse Gas Emissions
Draft Permit Conditions

PROJECT DESCRIPTION

La Paloma Energy Center is proposing to construct a new combined cycle electric generating plant (LPEC) in Cameron County, Texas. LPEC will generate 637 - 735 megawatts (MW) of gross electrical power near the City of Harlingen. The LPEC will consist of the following sources of GHG emissions:

- Two natural gas-fired combustion turbines equipped with lean pre-mix low-NOx combustors;
- Two natural gas-fired duct burner systems;
- Natural gas piping and metering;
- One diesel fuel-fired emergency electrical generator engine;
- One diesel fuel-fired fire water pump engine;
- One natural gas-fired auxiliary boiler; and
- Electrical equipment insulated with sulfur hexafluoride (SF₆).

EQUIPMENT LIST

The following devices are subject to this GHG PSD permit.

FIN	EPN	Description
CTG1/HRSG1 CTG2/HRSG2	U1-STK U2-STK	2 Natural Gas-Fired Combined Cycle Combustion Turbines (Combustion Units). The combustion turbines are equipped with heat recovery steam generators (HRSG) and selective catalytic reduction (SCR).
AUXBLR	AUXBLR	1 Auxiliary Boiler (Combustion Unit). The boiler has a maximum design heat input rate of 150 MMBtu/hr, and is fired with natural gas.
TRB-MSS	TRB-MSS	Gas venting during MSS of the turbines.
FWP1-STK	FWP	1 Fire Water Pump (Combustion Unit). 500 horsepower (hp) Diesel Fired Fire Water Pump rated at 3.4 MMBtu/hr and limited to 100 hours of operation per year for non-emergency activities.
EMGEN1-STK	EMGEN1	1 Emergency Generator (Combustion Unit). 1,072 horsepower (hp) Diesel Fired Emergency Generator rated at 7.9 MMBtu/hr and limited to 100 hours of operation per year for non-emergency activities.
SF6-FUG	SF6-FUG	SF ₆ Insulated Electrical Equipment (i.e., circuit breakers) with 400 lb SF ₆ capacity.
NG-FUG	NG-FUG	Process Fugitives.

I. GENERAL PERMIT CONDITIONS

A. PERMIT EXPIRATION

As provided in 40 CFR §52.21(r), this PSD Permit shall become invalid if construction:

1. is not commenced (as defined in 40 CFR §52.21(b)(9)) within 18 months after the approval takes effect; or
2. is discontinued for a period of 18 months or more; or
3. is not completed within a reasonable time.

Pursuant to 40 CFR §52.21(r), EPA may extend the 18-month period upon a written satisfactory showing that an extension is justified.

B. PERMIT NOTIFICATION REQUIREMENTS

Permittee shall notify EPA Region 6 in writing or by electronic mail of the:

1. date construction is commenced, postmarked within 30 days of such date;
2. actual date of initial startup, as defined in 40 CFR §60.2, postmarked within 15 days of such date; and
3. date upon which initial performance tests will commence, in accordance with the provisions of Section VI, postmarked not less than 30 days prior to such date.
Notification may be provided with the submittal of the performance test protocol required pursuant to Condition VI.C.

C. FACILITY OPERATION

At all times, including periods of startup, shutdown, and maintenance, Permittee shall, to the extent practicable, maintain and operate the facility including associated air pollution control equipment in a manner consistent with good air pollution control practice for minimizing emissions. Determination of whether acceptable operating and maintenance procedures are being used will be based on information available to the EPA, which may include, but is not limited to, monitoring results, review of operating maintenance procedures and inspection of the facility.

D. MALFUNCTION REPORTING

1. Permittee shall notify EPA by mail within 48 hours following the discovery of any failure of air pollution control equipment, process equipment, or of a process to operate in a normal manner, which results in an increase in GHG emissions above the allowable emission limits stated in Sections II and III of this permit.
2. Within 10 days of the restoration of normal operations after any failure described in I.D.1., Permittee shall provide a written supplement to the initial notification that includes a description of the malfunctioning equipment or abnormal operation, the date of the initial malfunction, the period of time over which emissions were increased due to the failure, the cause of the failure, the estimated resultant emissions in excess of those allowed in Section II and III, and the methods utilized to mitigate emissions and restore normal operations.
3. Compliance with this malfunction notification provision shall not excuse or otherwise constitute a defense to any violation of this permit or any law or regulation such malfunction may cause.

E. RIGHT OF ENTRY

EPA authorized representatives, upon the presentation of credentials, shall be permitted:

1. to enter the premises where the facility is located or where any records are required to be kept under the terms and conditions of this PSD Permit;
2. during normal business hours, to have access to and to copy any records required to be kept under the terms and conditions of this PSD Permit;
3. to inspect any equipment, operation, or method subject to requirements in this PSD Permit; and,
4. to sample materials and emissions from the source(s).

F. TRANSFER OF OWNERSHIP

In the event of any changes in control or ownership of the facilities to be constructed, this PSD Permit shall be binding on all subsequent owners and operators. Permittee shall notify the succeeding owner and operator of the existence of the PSD Permit and its conditions by letter; a copy of the letter shall be forwarded to EPA Region 6 within thirty days of the letter signature.

G. SEVERABILITY

The provisions of this PSD Permit are severable, and, if any provision of the PSD Permit is held invalid, the remainder of this PSD Permit shall not be affected.

H. ADHERENCE TO APPLICATION AND COMPLIANCE WITH OTHER ENVIRONMENTAL LAWS

Permittee shall construct this project in compliance with this PSD Permit, the application on which this permit is based, the TCEQ PSD Permit PSD-TX-1288 (when issued) and all other applicable federal, state, and local air quality regulations. This PSD permit does not release the Permittee from any liability for compliance with other applicable federal, state and local environmental laws and regulations, including the Clean Air Act.

I. ACRONYMS AND ABBREVIATIONS

API	American Petroleum Institute
BACT	Best Available Control Technology
BSCFD	Billion Standard Cubic Feet per Day
CAA	Clean Air Act
CC	Carbon Content
CCS	Carbon Capture and Sequestration
CEMS	Continuous Emissions Monitoring System
CFR	Code of Federal Regulations
CH ₄	Methane
CO ₂	Carbon Dioxide
CO ₂ e	Carbon Dioxide Equivalent
CT	Combustion Turbine
DLNB	Dry Low-NO _x Burner
dscf	Dry Standard Cubic Foot
EF	Emission Factor
EPN	Emission Point Number
FIN	Facility Identification Number
FR	Federal Register
GHG	Greenhouse Gas
gr	Grains
GWP	Global Warming Potential
HHV	High Heating Value
hr	Hour
LAER	Lowest Achievable Emission Rate
lb	Pound
LDAR	Leak Detection and Repair
MMBtu	Million British Thermal Units
MSS	Maintenance, Start-up and Shutdown
mtpa	Million Tons per Annum
NNSR	Nonattainment New Source Review
N ₂ O	Nitrous Oxides
NO _x	Nitrogen Oxides
NSPS	New Source Performance Standards
PSD	Prevention of Significant Deterioration
QA/QC	Quality Assurance and/or Quality Control
SCFH	Standard Cubic Feet per Hour
SCR	Selective Catalytic Reduction
SF ₆	Sulfur Hexafluoride
TAC	Texas Administrative Code
TCEQ	Texas Commission on Environmental Quality
TPY	Tons per Year
USC	United States Code
VOC	Volatile Organic Compound

II. Annual Emission Limits

Annual emissions, in tons per year (TPY) on a 12-month, rolling average, shall not exceed the following if the General Electric 7FA is selected as the combustion turbine model:

Table 1A. Annual Emission Limits¹ - General Electric 7FA

FIN	EPN	Description	GHG Mass Basis		TPY CO ₂ e ^{2,3}	BACT Requirements
				TPY ²		
U1-STK	U1-STK	Combined Cycle Combustion Turbine/Heat Recovery Steam Generator ⁴	CO ₂	1,261,820	1,263,055	934.5 lb CO ₂ /MWh (gross) with duct burning. ⁵ See Special Conditions III.A.1.
			CH ₄	23.4		
			N ₂ O	2.4		
U2-STK	U2-STK	Combined Cycle Combustion Turbine/Heat Recovery Steam Generator ⁴	CO ₂	1,261,820	1,263,055	934.5 lb CO ₂ /MWh (gross) with duct burning. ⁵ See Special Conditions III.A.1.
			CH ₄	23.4		
			N ₂ O	2.4		
AUXBLR	AUXBLR	Auxiliary Boiler	CO ₂	7,680	7,687	Good Combustion and Operating Practices. Limit to 876 hours of operation per year. See Special Conditions III.B.
			CH ₄	0.14		
			N ₂ O	0.01		
EMGEN1-STK	EMGEN1-STK	Emergency Generator	CO ₂	64	64	Good Combustion and Operating Practices. Limit to 100 hours of operation per year. See Special Conditions III.C.
			CH ₄	No Numerical Limit Established ⁶		
			N ₂ O	No Numerical Limit Established ⁶		
FWP1-STK	FWP1-STK	Fire Water Pump	CO ₂	28	28	Good Combustion and Operating Practices. Limit to 100 hours of operation per year. See Special Conditions III.C.
			CH ₄	No Numerical Limit Established ⁶		
			N ₂ O	No Numerical Limit Established ⁶		
TRB-MSS	TRB-MSS	Maintenance , Startup, and Shutdown	CO ₂	No Numerical Limit Established ⁶	2.2	Negligible emissions, EPA verified the provided analysis.
			CH ₄	0.106		
NG-FUG	NG-FUG	Natural Gas Fugitives	CO ₂	Not Applicable	Not Applicable	Implementation of AVO Monitoring. See Special Condition III.D.
			CH ₄	Not Applicable		

FIN	EPN	Description	GHG Mass Basis		TPY CO ₂ e ^{2,3}	BACT Requirements
				TPY ²		
SF6-FUG	SF6-FUG	SF ₆ Insulated Equipment	SF ₆	No Numerical Limit Established ⁶	23.9	Instrumented monitoring and alarm. See Special condition III.D.
Totals⁷			CO₂	2,531,413	CO₂e 2,534,338	
			CH₄	67		
			N₂O	4.8		

1. Compliance with the annual emission limits (tons per year) is based on a 12-month rolling average.
2. The TPY emission limits specified in this table are not to be exceeded for this facility and include emissions from the facility during all operations and include MSS activities.
3. Global Warming Potentials (GWP): CH₄ = 21, N₂O = 310
4. The annual emissions limit for the combustion turbines is based on operating at maximum duct burner firing for 8,260 hours per year, and operating during startup, shutdown, and maintenance (MSS) for 500 hours per year.
5. The BACT limit for the combustion turbine does not apply during MSS.
6. All values indicated as "No Numerical Limit Established" are less than 0.01 TPY with appropriate rounding. The emission limit will be a design/work practice standard as specified in the permit.
7. The total emissions for CH₄ and CO₂e include the PTE for process fugitive emissions of CH₄. Total emissions are for information only and do not constitute an emission limit.

Annual emissions, in tons per year (TPY) on a 12-month, rolling average, shall not exceed the following if the Siemens SGT6-5000F(4) is selected as the combustion turbine model:

Table 1B. Annual Emission Limits¹ - Siemens SGT6-5000F(4)

FIN	EPN	Description	GHG Mass Basis		TPY CO ₂ e ^{2,3}	BACT Requirements
				TPY ²		
U1-STK	U1-STK	Combined Cycle Combustion Turbine/Heat Recovery Steam Generator ⁴	CO ₂	1,415,907	1,417,263	909.2 lb CO ₂ /MWh (gross) with duct burning. ⁵ See Special Conditions III.A.1.
			CH ₄	26.27		
			N ₂ O	2.6		
U2-STK	U2-STK	Combined Cycle Combustion Turbine/Heat Recovery Steam Generator ⁴	CO ₂	1,415,907	1,417,263	909.2 lb CO ₂ /MWh (gross) with duct burning. ⁵ See Special Conditions III.A.1.
			CH ₄	26.2		
			N ₂ O	2.6		
AUXBLR	AUXBLR	Auxiliary Boiler	CO ₂	7,680	7,687	Good Combustion and Operating Practices. Limit to 876 hours of operation per year. See Special Conditions III.B.
			CH ₄	0.14		
			N ₂ O	0.01		
EMGEN1-STK	EMGEN1-STK	Emergency Generator	CO ₂	64	64	Good Combustion and Operating Practices. Limit to 100 hours of operation per year. See Special Conditions III.C.
			CH ₄	No Numerical Limit Established ⁶		
			N ₂ O	No Numerical Limit Established ⁶		
FWP1-STK	FWP1-STK	Fire Water Pump	CO ₂	28	28	Good Combustion and Operating Practices. Limit to 100 hours of operation per year. See Special Conditions III.C.
			CH ₄	No Numerical Limit Established ⁶		
			N ₂ O	No Numerical Limit Established ⁶		
TRB-MSS	TRB-MSS	Maintenance, Startup, and Shutdown	CO ₂	No Numerical Limit Established ⁶	2.2	Negligible emissions, EPA verified the provided analysis.
			CH ₄	0.106		
NG-FUG	NG-FUG	Natural Gas Fugitives	CO ₂	Not Applicable	Not Applicable	Implementation of AVO Monitoring. See Special Condition III.D.
			CH ₄	Not Applicable		

FIN	EPN	Description	GHG Mass Basis		TPY CO ₂ e ^{2,3}	BACT Requirements
				TPY ²		
SF6-FUG	SF6-FUG	SF ₆ Insulated Equipment	SF ₆	No Numerical Limit Established ⁶	23.9	Instrumented monitoring and alarm. See Special condition III.D.
Totals⁷			CO₂	2,839,587	CO₂e 2,842,754	
			CH₄	73		
			N₂O	5.2		

1. Compliance with the annual emission limits (tons per year) is based on a 12 month rolling average.
2. The TPY emission limits specified in this table are not to be exceeded for this facility and include emissions from the facility during all operations and include MSS activities.
3. Global Warming Potentials (GWP): CH₄ = 21, N₂O = 310
4. The annual emissions limit for the combustion turbines is based on operating at maximum duct burner firing for 8,260 hours per year, and operating during startup, shutdown, and maintenance (MSS) for 500 hours per year.
5. The BACT limit for the combustion turbine does not apply during MSS.
6. All values indicated as "No Numerical Limit Established" are less than 0.01 TPY with appropriate rounding. The emission limit will be a design/work practice standard as specified in the permit.
7. The total emissions for CH₄ and CO₂e include the PTE for process fugitive emissions of CH₄. Total emissions are for information only and do not constitute an emission limit.

Annual emissions, in tons per year (TPY) on a 12-month, rolling average, shall not exceed the following if the Siemens SGT6-5000F(5) is selected as the combustion turbine model:

Table 1C. Annual Emission Limits¹ - Siemens SGT6-5000F(5)

FIN	EPN	Description	GHG Mass Basis		TPY CO ₂ e ^{2,3}	BACT Requirements
				TPY ²		
U1-STK	U1-STK	Combined Cycle Combustion Turbine/Heat Recovery Steam Generator	CO ₂	1,594,162	1,595,712	912.7 lb CO ₂ /MWh (gross) with duct burning. See Special Conditions III.A.1.
			CH ₄	29.5		
			N ₂ O	3		
U2-STK	U2-STK	Combined Cycle Combustion Turbine/Heat Recovery Steam Generator	CO ₂	1,594,162	1,595,712	912.7 lb CO ₂ /MWh (gross) with duct burning. See Special Conditions III.A.1.
			CH ₄	29.5		
			N ₂ O	3		
AUXBLR	AUXBLR	Auxiliary Boiler	CO ₂	7,680	7,687	Good Combustion and Operating Practices. Limit to 876 hours of operation per year. See Special Conditions III.B.
			CH ₄	0.14		
			N ₂ O	0.01		
EMGEN1-STK	EMGEN1-STK	Emergency Generator	CO ₂	64	64	Good Combustion and Operating Practices. Limit to 100 hours of operation per year. See Special Conditions III.C.
			CH ₄	No Numerical Limit Established ⁶		
			N ₂ O	No Numerical Limit Established ⁶		
FWP1-STK	FWP1-STK	Fire Water Pump	CO ₂	28	28	Good Combustion and Operating Practices. Limit to 100 hours of operation per year. See Special Conditions III.C.
			CH ₄	No Numerical Limit Established ⁶		
			N ₂ O	No Numerical Limit Established ⁶		
TRB-MSS	TRB-MSS	Maintenance, Startup, and Shutdown	CO ₂	No Numerical Limit Established ⁶	2.2	Negligible emissions, EPA verified the provided analysis.
			CH ₄	0.106		
NG-FUG	NG-FUG	Natural Gas Fugitives	CO ₂	Not Applicable	Not Applicable	Implementation of AVO Monitoring. See Special Condition III.D.
			CH ₄	Not Applicable		

FIN	EPN	Description	GHG Mass Basis		TPY CO ₂ e ^{2,3}	BACT Requirements
				TPY ²		
SF6-FUG	SF6-FUG	SF ₆ Insulated Equipment	SF ₆	No Numerical Limit Established ⁶	23.9	Instrumented monitoring and alarm. See Special condition III.D.
Totals⁷			CO₂	3,196,097	CO₂e 3,199,650	
			CH₄	80		
			N₂O	6		

1. Compliance with the annual emission limits (tons per year) is based on a 12 month rolling average.
2. The TPY emission limits specified in this table are not to be exceeded for this facility and include emissions from the facility during all operations and include MSS activities.
3. Global Warming Potentials (GWP): CH₄ = 21, N₂O = 310
4. The annual emissions limit for the combustion turbines is based on operating at maximum duct burner firing for 8,260 hours per year, and operating during startup, shutdown, and maintenance (MSS) for 500 hours per year.
5. The BACT limit for the combustion turbine does not apply during MSS.
6. All values indicated as "No Numerical Limit Established" are less than 0.01 TPY with appropriate rounding. The emission limit will be a design/work practice standard as specified in the permit.
7. The total emissions for CH₄ and CO₂e include the PTE for process fugitive emissions of CH₄. Total emissions are for information only and do not constitute an emission limit.

III. SPECIAL PERMIT CONDITIONS

A. Requirements for Combustion Turbine Generators (CTG) and Heat Recovery Steam Generators (HRSG) (EPNs - U1-STK and U2-STK)

The Permittee shall comply with Table 1A, 1B, or 1C depending on the selection of manufacturer and model of combined cycle combustion turbine selected. Upon selection of a combustion turbine model, LPEC must submit a permit application amendment to remove the turbine models not selected.

1. Combustion Turbine Generator (CTG) BACT Emission Limits

Table 2. BACT Emission Limits for Combustion Turbines on a 12 month rolling average

Turbine Model	Gross Heat Rate, with duct burner firing (Btu/kWh) (HHV)	Output Based Emission Limit (lb CO ₂ /MWh) gross with duct burning
General Electric 7FA	7,861.8	934.5
Siemens SGT6-5000F(4)	7,649.0	909.2
Siemens SGT6-5000F(5)	7,679.0	912.7

- a. Within 60 days after achieving the maximum production rate at which the affected facility will be operated, but not later than 180 days of the date of initial startup of the combustion turbine generators, the Permittee shall perform an initial emission test for CO₂ and use emission factors from 40 CFR Part 98. The Permittee shall ensure that GHG emissions from the Combustion Turbine Generator and heat recovery steam generator (U1-STK and U2-STK) into the atmosphere do not exceed the limits in lbs CO₂/MWh (gross) from Table 2, during the test. To determine this BACT emission limit, Permittee shall calculate the limit based on the measured hourly energy output (MWh (gross)), the CTG is operating at, or above 90% of its design capacity without duct burning firing and the results shall be corrected to ISO conditions (59°F, 14.7 psia, and 67% humidity). If the CTG does not meet the design emissions limit, then the Permittee shall remedy the CTG's failure to meet the design emissions limit, and will make corrections to the CTG and will only combust fuel to perform required tuning and modifications necessary to demonstrate compliance.
- b. Upon demonstration that the combustion turbine generators are in compliance with the design emissions limit via an emission test, the Permittee shall not discharge or cause the discharge of emissions from the Combustion Turbine Generator (CTG) and heat recovery steam generator (HRSG) (EPNs U1-STK and U2-STK) into the atmosphere in excess of the limits in lb CO₂/MWh (gross) on a 12-month rolling average and shall not discharge or cause the discharge of emissions into the atmosphere in excess of the limits in tons of CO₂e on a 12-month rolling average as

listed in Table 1A, 1B, or 1C. To determine the BACT emission limit, the Permittee shall calculate the limit based on the measured net hourly energy output (MWh (gross)) and the tons of CO₂ calculated from the equations provided in 40 CFR 75, Appendix D and F or the CO₂ emissions CEMS data. The calculated hourly rate is averaged daily.

- c. Upon initial demonstration that the combustion turbine generators complies with the emissions limit via an emission test, the Permittee shall not exceed a Combustion Turbine Generator net heat rate Btu/kWh (HHV) from Table 2 on a 12 month rolling average. To determine this limit, Permittee shall calculate the average heat rate on a hourly basis consistent with equation F-20 and procedure provided in 40 CFR Part 75, Appendix F, § 5.5.2 and the measured net hourly energy output (kWh). Sum the hourly heat input for the operating month and sum the hourly gross output for the operating month. Divide the total heat input for the month by the total gross output for the month. Add the quotient to the sum of the quotients of the previous 11 operating months and divide by 12 to determine the 12-operating month rolling average.
- d. Permittee shall determine the hourly CO₂ emission rate from 40 CFR Part 75, Appendix G, using F_c factors updated monthly from fuel analysis or, as an alternative, Permittee may install and operate a volumetric stack gas flow monitor and associated data acquisition and handling system in accordance with the CO₂ CEMS system provided in 40 CFR § 75.10(a)(3) and (a)(5).

2. Monitoring of CO₂ Emissions for U1-STK and U2-STK

- a. The Permittee shall determine the CO₂ hourly emission rate and CO₂ mass emissions for the combustion turbine generator and heat recovery steam generator, identified as U1-STK and U2-STK, based on equation G-4 of 40 CFR Part 75 and the average heat rate on an hourly basis based on the heat input calculation procedures contained in 40 CFR Part 75, Appendix F, equation F-20.
- b. Permittee shall install, calibrate, and operate a fuel flow meter and perform periodic scheduled GCV fuel sampling for the combustion turbine generator and heat recovery steam generator, identified as U1-STK and U2-STK, and shall meet the applicable requirements, including certification testing, of 40 CFR Part 75, Appendix D and 40 CFR Part 60 to be used in conjunction with the F_c factor based on the procedures to calculate the CO₂ emission rate in 40 CFR Part 75, Appendix F.
- c. As an alternative to Special Condition III.A.2.a, the Permittee may install a CO₂ CEMS and volumetric stack gas flow monitoring system with an automated data acquisition and handling system for measuring and recording CO₂ emissions discharged to the atmosphere.

- d. In accordance with 40 CFR Part 75, Appendix D and 40 CFR Part 60, the Permittee shall ensure that all required fuel flow meters are installed, a periodic schedule for GCV fuel sampling is initiated and all certification tests are completed on or before the earlier of 90 unit operating days or 180 calendar days after the date the unit commences commercial operation (as defined in 40 CFR Part 75, Appendix D and G).
 - e. Permittee shall ensure compliance with the specifications and test procedures for fuel flow meter and/or CO₂ emission monitoring system at stationary sources, 40 CFR Part 75 and 40 CFR Part 60.
 - f. Permittee shall meet the appropriate quality assurance requirements specified in 40 CFR Part 75, Appendix D and F and 40 CFR Part 60 for the fuel flow meter and/or CO₂ emission monitoring system.
- 3. U1-STK and U2-STK Combustion Turbine Work Practice and Operational Requirements**
- a. Permittee shall calculate the amount of CO₂ emitted for both the CTGs from combustion in tons per hour (tons/hr) on a 12 month rolling average, and converted to tons per year (tpy) based on equation G-4 of 40 CFR Part 75 and the average heat rate (gross) on an hourly basis based on the heat input calculation procedures contained in 40 CFR Part 75, Appendix F, equation F-20.
 - b. Permittee shall calculate the CH₄ and N₂O emissions on a 12 month rolling average. Permittee shall determine compliance with the CH₄ and N₂O emissions limits contained in section II using the default CH₄ and N₂O emission factors contained in Table C-2 of 40 CFR Part 98 and the measured actual hourly heat input (HHV).
 - c. Permittee shall calculate the CO₂e emissions on a 12 month rolling average, based on the procedures and Global Warming Potentials (GWP) contained in Greenhouse Gas Regulations, 40 CFR Part 98, Subpart A, Table A-1.
 - d. Fuel for the Combustion Turbines shall be limited to natural gas with a fuel sulfur content of up to 5 grains of sulfur per 100 dry standard cubic feet (gr S/100 dscf). The gross calorific value of the fuel shall be determined monthly by the procedures contained in 40 CFR Part 75, Appendix F, §5.5.2 and records shall be maintained of the monthly fuel gross calorific value for a period of five years. Upon request, Permittee shall provide a sample and/or analysis of the fuel-fired in the Combustion Turbines or shall allow a sample to be taken by EPA for analysis.
 - e. The flow rate of the fuel combusted in combustion turbine emission units, identified as U1-STK and U2-STK, shall be measured and recorded using an inline flow meter and automatically record the data with a data acquisition and handling system.
 - f. Permittee shall measure and record the net energy output (MWh (net)) on an hourly basis.

- g. On or before the date of initial performance test required by 40 CFR 60.8, and thereafter, Permittee shall install, and continuously operate, and maintain the HRSGs equipped with a SCR so emissions are at or below the emissions limits specified in this permit and TCEQ permit PSD-TX-1288.
- h. The Permittee shall perform an annual compliance test, at or above ninety percent (90%) of maximum load operations for the atmospheric conditions which exist during testing, corrected to ISO conditions to demonstrate compliance with the proposed heat rate in Table 2.
- i. On or after initial performance testing, Permittee shall use the combustion turbines, Heat Recovery Steam Generators, Steam Turbines and Plant-wide energy efficiency processes, work practices and designs as represented in the permit application.

4. Requirements during Combustion Turbine (U1-STK and U2-STK) Startup and Shutdown

- a. Permittee shall minimize emissions during start-up and shutdown activities by operating and maintaining the facility and associated air pollution control equipment in accordance with good air pollution control practices, safe operating practices, and protection of the facility.
- b. Emissions during startup and shutdown activities shall be minimized by limiting the duration of operation in startup and shutdown mode as follows:
 - i. A startup is defined as the period that begins when the data acquisition and handling system measures fuel flow to the combustion turbine and ends when the combustion turbine generator load reaches 60 percent. A planned startup for each combustion turbine is limited to 360 minutes per event.
 - ii. A shutdown is defined as the period that begins when the combustion turbine generator output drops below 60 percent load and ends when there is no longer measureable fuel flow to the combustion turbine. A planned shutdown of the combustion turbine is limited to 60 minutes per event.
- c. Permittee must record the time, date, fuel heat input (HHV) in MMBtu/hr and duration of each startup and shutdown event in order to calculate total CO₂e emissions. The records must include hourly CO₂ emission levels as measured by the fuel flow meter and/or O₂ emission monitor (or CO₂ CEMS with volumetric stack gas flowrate) and the calculations based on the actual heat input for the CO₂, CO₂e, O₂, N₂O, and CH₄ emissions during each startup and shutdown event based on the equations represented in the permit application. These records must be kept for five (5) years following the date of such event.

- d. The 12-month rolling average BACT emission limitations in Special Condition III.A.1. does not include periods of startup and shutdown.

B. Requirements for Auxiliary Boiler (AUXBLR)

1. Boiler shall combust only pipeline quality natural gas.
2. Permittee shall measure and record the fuel flow rate using an inline flow meter and automatically record the data with a data acquisition and handling system.
3. Permittee shall calibrate and perform preventative maintenance check of the fuel gas flow meters and document annually.
4. Permittee shall perform cleaning of the burner tips annually, at a minimum.
5. Permittee shall perform cleaning of the convection section tubes annually, at a minimum.
6. The maximum firing rate for the auxiliary boiler shall not exceed 150 MMBtu/hr.
7. A rolling 12 month average and the one-hour maximum firing rate shall be calculated daily to demonstrate compliance with the firing rates in III.B.5.
8. Total firing hours of the auxiliary boiler must not exceed 876 hours per year.
9. Daily records of firing hours shall be recorded daily. A 12 month rolling total of boiler hours of operation shall be calculated daily to demonstrate compliance with the limitation of hours in III.B.8.
10. Permittee shall install, operate, and maintain an automated air/fuel control system.
11. Permittee shall calibrate and perform preventative maintenance on the air/fuel control analyzers once per quarter, at a minimum.
12. Permittee shall install, operate, and maintain an O₂ analyzer on the boiler.
13. Oxygen analyzers shall continuously monitor and record oxygen concentration in the boiler. It shall reduce the oxygen readings to an averaging period of 6 minutes or less and record it at that frequency.
14. The oxygen analyzers shall be quality-assured at least quarterly using cylinder gas audits (CGAs) in accordance with 40 CFR Part 60, Appendix F, Procedure 1, § 5.1.2, with the following exception: a relative accuracy test audit is not required once every four quarters (i.e., four successive quarterly CGAs may be conducted).
15. Compliance with the Annual Emission Limit shall be demonstrated on a 12-month total, rolling monthly, calculated in accordance with 40 CFR Part 98 Subpart C §98.33(a)(1)(i).

C. Requirements for the Fire Water Pump (FWP1-STK) and Emergency Generator (EMGEN1-STK)

1. The Fire Water Pump (FWP1-STK) and Emergency Generator (EMGEN1-STK) are authorized to fire diesel fuel containing no more than 0.5 percent sulfur by weight. Upon request, Permittee shall provide a sample and/or an analysis of the fuel-fired in

the emission units (EMGEN1-STK and FWP1-STK) or shall allow a sample to be taken by EPA for analysis to demonstrate the percent sulfur of the fuel.

2. The Fire Water Pump and Emergency Generator are limited to 100 hours of non-emergency operation per year for each unit and a heat input value of 3.4 MMBtu/hr and 7.9 MMBtu/hr for the Fire Water Pump and the Emergency Generator, respectively. Compliance with the 100 hour non-emergency operational requirement is determined on a 12 month rolling basis.
3. The Fire Water Pump and Emergency Generator shall meet the applicable monitoring and recordkeeping requirements as required in 40 CFR Part 60 Subpart IIII, Standards of Performance for Stationary Compression Ignition Internal Combustion Engines.
4. Permittee shall install and maintain an operational non-resettable elapsed time meter for the Fire Water Pump and Emergency Generator.
5. Permittee shall maintain a file of all records, data measurements, reports and documents related to the operation of the Fire Water Pumps and Emergency Generator, including, but not limited to, the following: all records or reports pertaining to maintenance performed, all records relating to performance tests and monitoring of the emergency generator and fire pump equipment; for each diesel fuel oil delivery, documents from the fuel supplier certifying compliance with the fuel sulfur content limit of Special Condition III.C.1., fuel heat input values and hours of operation required in Special Condition III.C.2.; and all other information required by this permit recorded in a permanent form suitable for inspection. The file must be retained for not less than five years following the date of such measurements, maintenance, reports, and/or records.

D. Requirements for Fugitive Emission Sources (NG-FUG and SF6-FUG)

1. The Permittee shall implement an auditory/visual/olfactory (AVO) method for detecting leaking from natural gas piping components, and make observations on a daily basis.
2. For emission unit SF6-FUG, SF₆ emissions shall be calculated annually (calendar year) in accordance with the mass balance approach provided in equation DD-1 of the Mandatory Greenhouse Gas Reporting rules for Electrical Transmission and Distribution Equipment Use, 40 CFR Part 98, Subpart DD. Permittee shall not exceed insulated circuit breaker SF₆ capacity exceeding 400 lbs.
3. Permittee shall equip the circuit breakers with a low pressure alarm and a low pressure lockout. The SF₆ leak detection system shall be able to detect a leak of at least 1 lb per year.
4. Permittee shall maintain a file of all records, data measurements, reports and documents related to the fugitive emission sources including, but not limited to, the following: all records or reports pertaining to maintenance performed, all records

relating to compliance with the Monitoring and Quality Assurance and Quality Control (QA/QC) procedures outlined in 40 CFR 98.304.

E. Requirements for Maintenance, Startup, and Shutdown (TRB-MSS)

The Permittee provided data to show that minimal quantities of natural gas are released to the atmosphere during turbine fuel line shutdown maintenance and when performing repair or maintenance on small equipment and fugitive components. Emissions related to these type of events are not expected to exceed 2.2 tons per year of CO₂e.

IV. RECORDKEEPING AND REPORTING

1. In order to demonstrate compliance with the GHG emission limits in Table 1, the Permittee will monitor the following parameters and summarize the data on a calendar month basis.
 - a. Operating hours for all air emission sources;
 - b. The natural gas fuel usage for all combustion sources, using continuous fuel flow monitors (a group of equipment can utilize a common fuel flow meter, as long as actual fuel usage is allocated to the individual equipment based upon actual operating hours and maximum firing rate); and
 - c. Annual fuel sampling for natural gas.
2. Permittee shall implement an AVO program and keep records of the monitoring results, as well as the repair and maintenance records.
3. Permittee shall maintain all records, data, measurements, reports, and documents related to the operation of the facility, including, but not limited to, the following: all records or reports pertaining to significant maintenance performed on any system or device at the facility; duration of startup, shutdown; the initial startup period for the emission units; pollution control units; malfunctions; all records relating to performance tests, calibrations, checks, and monitoring of combustion equipment; duration of an inoperative monitoring device and emission units with the required corresponding emission data; and all other information required by this permit recorded in a permanent form suitable for inspection. The records must be retained for not less than five years following the date of such measurements, maintenance, reports, and/or records.
4. Permittee shall maintain records of all GHG emission units and CO₂ emission certification tests and monitoring and compliance information required by this permit.
5. Permittee shall maintain records and submit a written report of all GHG excess emissions to EPA semi-annually, except when: more frequent reporting is specifically required by an applicable subpart; or the Administrator or authorized representative, on a case-by-case basis, determines that more frequent reporting is necessary to accurately assess the

compliance status of the source. The report is due on the 30th day following the end of each semi-annual period and shall include the following:

- a. Time intervals, data and magnitude of the excess emissions, the nature and cause (if known), corrective actions taken and preventive measures adopted;
 - b. Applicable time and date of each period during which the monitoring equipment was inoperative (monitoring down-time);
 - c. A statement in the report of a negative declaration; that is; a statement when no excess emissions occurred or when the monitoring equipment has not been inoperative, repaired or adjusted; and
 - d. Any failure to conduct any required source testing, monitoring, or other compliance activities.
6. Excess emissions shall be defined as any period in which the facility emissions exceed a maximum emission limit set forth in this permit.
 7. Excess emissions indicated by GHG emission source certification testing or compliance monitoring shall be considered violations of the applicable emission limit for the purpose of this permit.
 8. All records required by this PSD Permit shall be retained and remain accessible for not less than 5 years following the date of such measurements, maintenance, and reporting.

V. SHAKEDOWN PERIODS

The combustion turbine emission limits and requirements in conditions II., III.A.1., and III.B. shall not apply during combustion shakedown periods. Shakedown is defined as the period beginning with initial startup and ending no later than initial performance testing, during which the Permittee conducts operational and contractual testing and tuning to ensure the safe, efficient and reliable operation of the plant. The shakedown period shall not exceed the time period for performance testing as specified in 40 CFR § 60.8. The requirements of special condition I.C. of this permit shall apply at all times.

VI. PERFORMANCE TESTING

- A. The Permittee shall perform stack sampling and other testing to establish the actual pattern and quantities of air contaminants being emitted into the atmosphere from the stacks of the Combustion Turbines and HRSGs (U1-STK and U2-STK) and the Auxiliary Boiler (AUXBLR) to determine the initial compliance with the CO₂ emission limits established in this permit. Sampling shall be conducted in accordance with 40 CFR § 60.8 and EPA Method 3a or 3b for the concentration of CO₂.

1. Multiply the CO₂ hourly average emission rate determined under maximum operating test conditions by 8,760 hours for the combustion turbines and 876 hours for the auxiliary boiler.
 2. If the above calculated CO₂ emission total does not exceed the tons per year (TPY) specified on Table 1, no compliance strategy needs to be developed.
If the above calculated CO₂ emission total exceeds the tons per year (TPY) specified in Table 1, the facility shall:
 - a. Document the potential to exceed in the test report; and
 - b. Explain within the report how the facility will assure compliance with the CO₂ emission limit listed in Table 1.
- B.** Within 60 days after achieving the maximum production rate at which the affected facility will be operated, but not later than 180 days after initial startup of the facility, performance tests(s) must be conducted and a written report of the performance testing results furnished to the EPA. Additional sampling may be required by TCEQ or EPA.
- C.** Permittee shall submit a performance test protocol to EPA no later than 30 days prior to the test to allow review of the test plan and to arrange for an EPA observer to be present at the test. The performance test shall be conducted in accordance with the submitted protocol, and any changes required by EPA.
- D.** The turbine shall be tested at or above ninety percent (90%) of maximum load operations for the atmospheric conditions which exist during testing. The duct burners shall be tested at its maximum firing rate within the mechanical limits of the equipment for the atmospheric conditions which exists during the performance test while the turbine is operating as close to base load as possible. The tested turbine load shall be identified in the sampling report. The permit holder shall present in the performance test protocol the manner in which stack sampling will be executed in order to demonstrate compliance with the emissions limits contained in Section II.
- E.** Air emissions from each HRSG exhaust stack shall be tested while firing at the minimum load in the normal operating range. The normal operating range consistent with emission limits is to be determined during stack testing. Air emissions that will be sampled and analyzed while at the minimum load include (but are not limited to) CO₂.
- F.** Performance tests must be conducted under such conditions to ensure representative performance of the affected facility. The owner or operator must make available to the EPA such records as may be necessary to determine the conditions of the performance tests.
- G.** The owner or operator shall provide, or cause to be provided, performance testing facilities as follows:
1. Sampling ports adequate for test methods applicable to this facility,
 2. Safe sampling platform(s),
 3. Safe access to sampling platform(s), and
 4. Utilities for sampling and testing equipment.

- H.** Unless otherwise specified, each performance test shall consist of three separate runs using the applicable test method. Each run shall be conducted for the time and under the conditions specified in the applicable standard. For purposes of determining compliance with an applicable standard, the arithmetic mean of the results of the three runs shall apply.

VII. Agency Notifications

Permittee shall submit GHG permit applications, permit amendments, and other applicable permit information to:

Multi Media Planning and Permitting Division
EPA Region 6
1445 Ross Avenue (6 PD-R)
Dallas, TX 75202
Email: Group R6AirPermits@EPA.gov

Permittee shall submit a copy of all compliance and enforcement correspondence as required by this Approval to Construct to:

Compliance Assurance and Enforcement Division
EPA Region 6
1445 Ross Avenue (6EN)
Dallas, TX 75202