

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



EXAMPLE A

NOTICE OF APPLICATION AND PRELIMINARY DECISION FOR AN AIR QUALITY PERMIT

PROPOSED AIR QUALITY PERMIT GHGPSDTX116

APPLICATION AND PRELIMINARY DECISION. Nacogdoches Power, LLC, PO Box 2641, Birmingham, AL 35203, has applied to the Texas Commission on Environmental Quality (TCEQ) for issuance of proposed Greenhouse Gas (GHG) Prevention of Significant Deterioration (PSD) Air Quality Permit GHGPSDTX116, which would authorize modification to the Nacogdoches Power Electric Generating Plant located at 499 County Road 988, Cushing, Nacogdoches County, Texas 75760. This application was submitted to the TCEQ on November 26, 2014. The existing facility will emit greenhouse gases.

The executive director has determined that the emissions of air contaminants from the existing facility which are subject to PSD review will not violate any state or federal air quality regulations and will not have any significant adverse impact on soils, vegetation, or visibility. All air contaminants have been evaluated, and best available control technology will be used for the control of these contaminants.

The executive director has completed the technical review of the application and prepared a draft permit which, if approved, would establish the conditions under which the facility must operate. The permit application, executive director's preliminary decision, draft permit, and the executive director's preliminary determination summary will be available for viewing and copying at the TCEQ central office, the TCEQ Beaumont regional office, and at the Judy B. McDonald Public Library, 1112 North Street, Nacogdoches, Nacogdoches County, Texas, beginning the first day of publication of this notice. The facility's compliance file, if any exists, is available for public review at the TCEQ Beaumont Regional Office, 3870 Eastex Fwy, Beaumont, Texas.

INFORMATION AVAILABLE ONLINE. The following documents are accessible through the Commission's Web site at www.tceq.texas.gov/goto/cid: the executive director's preliminary decision which includes the draft permit, the executive director's preliminary determination summary, and, once available, the executive director's response to comments and the final decision on this application. You may access the Commissioners' Integrated Database (CID) using the above link and enter the permit number for this application. The Judy B. McDonald Public Library provides public access to the internet. The following link to an electronic map of the site or facility's general location is provided as a public courtesy and not part of the application or notice. For exact location, refer to application.

<http://www.tceq.texas.gov/assets/public/hb610/index.html?lat=31.834444&lng=-94.904444&zoom=13&type=r>.

PUBLIC COMMENT/PUBLIC MEETING. You may submit public comments or request a public meeting about this application. The purpose of a public meeting is to provide the opportunity to submit comment or to ask questions about the application. The TCEQ will hold a public meeting if the executive director determines that there is a significant degree of public interest in the application, if requested by an interested person, or if

requested by a local legislator. A public meeting is not a contested case hearing. There is no opportunity to request a contested case hearing for this application. **You may submit additional written public comments within 30 days of the date of newspaper publication of this notice in the manner set forth in the AGENCY CONTACTS AND INFORMATION paragraph below.**

After the deadline for public comment, the executive director will consider the comments and prepare a response to all public comment. **The response to comments, along with the executive director's decision on the application will be mailed to everyone who submitted public comments or is on a mailing list for this application.**

EXECUTIVE DIRECTOR ACTION. The executive director may issue final approval of the application. The response to comments, along with the executive director's decision on the application will be mailed to everyone who submitted public comments or is on a mailing list for this application, and will be posted electronically to the CID.

MAILING LIST. In addition to submitting public comments, you may ask to be placed on a mailing list to obtain additional information on this application by sending a request to the Office of the Chief Clerk at the address below.

AGENCY CONTACTS AND INFORMATION. Public comments and requests must be submitted either electronically at www.tceq.texas.gov/about/comments.html, or in writing to the Texas Commission on Environmental Quality, Office of the Chief Clerk, MC-105, P.O. Box 13087, Austin, Texas 78711-3087. If you communicate with the TCEQ electronically, please be aware that your email address, like your physical mailing address, will become part of the agency's public record. For more information about this permit application or the permitting process, please call the Public Education Program toll free at 1-800-687-4040. Si desea información en Español, puede llamar al 1-800-687-4040.

Further information may also be obtained from Nacogdoches Power, LLC at the address stated above or by calling Ms. Kelli Mccullough, Environmental Engineer at (205) 257-6720.

Notice Issuance Date: December 10, 2015

Special Conditions

Permit Number GHGPSDTX116

1. This permit authorizes greenhouse gas (GHG) emissions only from those emission points listed in the attached table entitled "Emission Sources - Maximum Allowable Emission Rates" (MAERT), and the facilities covered by this permit are authorized to emit subject to the emission rate limits on that table and other operating conditions specified in this permit. Also, this permit authorizes the GHG emissions from planned maintenance, startup, and shutdown (MSS).
2. Emission limits are based upon representations in the permit application received November 26, 2014.

Federal Applicability

3. These facilities shall comply with applicable requirements of the EPA regulations on Standards of Performance for New Stationary Sources, Title 40 Code of Federal Regulations Part 60 (40 CFR Part 60):
 - A. Subpart A: General Provisions.
 - B. Subpart TTTT: Standards of Performance for Greenhouse Gas Emissions for Electric Generating Units, as adopted.

If any condition of this permit is more stringent than the regulations so incorporated, then for the purposes of complying with this permit, the permit shall govern and be the standard by which compliance shall be demonstrated.

Simple Cycle - Emissions Standards and Operating Specifications

4. The Combustion Turbine Generator (CTG) Emission Point Number (EPN) CTG1-STK shall not exceed the following limit:

| Turbine Model | Output Specific CO ₂ Emission Rate (lb CO ₂ /MWh) |
|---------------|---|
| Siemens F5 | 1,316, corrected to 95°F, (3-hour avg) |

Compliance with the above limit shall be demonstrated annually in accordance with the applicable conditions in this permit.

5. The turbine shall not exceed 2,500 hours of operation on rolling 12-month basis.

Initial Demonstration of Compliance

6. During the first thirty operating days after completion of certification testing of the continuous monitoring systems, or twelve calendar months, whichever comes first, the permit holder shall conduct testing to demonstrate compliance with the applicable limits in this permit. Within 45 days thereafter, the permit holder shall submit a report to the Region identifying whether the data causes any concerns regarding the permit holder's

ability to comply with the Special Conditions or the MAERT, and any actions that have been taken or are planned to be taken to address those concerns.

Continuous Demonstration of Compliance (CTG)

7. The permit holder shall monitor and calculate natural gas fuel flow, electricity output, and GHG emissions from the CTG as specified in this permit.

8. Hourly Calculations

A. Fuel Flow

- (1) The holder of this permit shall install, calibrate, maintain, and operate a continuous fuel flow meter to measure and record the hourly natural gas consumption of the CTG.
- (2) The fuel flow meters must meet the applicable requirements of 40 CFR Part 75, Appendix F and 40 CFR Part 60.
- (3) The fuel flow meters must be accurate to ± 2.0 percent of the unit's maximum flow.
- (4) The fuel flow data must be automatically recorded and maintained on a data acquisition system.

B. Heat input

- (1) Calculate the heat input in MMBtu, consistent with Equation F-20 and the procedures for determining the HHV (High Heating Value), in 40 CFR Part 75, Appendix F, §5.5.2. In this section, the HHV is referred to as the gross calorific value of gaseous fuel (GCV_g).
- (2) The fuel supply shall be sampled and analyzed for HHV monthly.

C. Carbon Dioxide (CO_2) Emission Rate

- (1) Calculate the hourly CO_2 emission rate in short tons per hour, during all periods of operation, including MSS.
- (2) Calculate the CO_2 in accordance with 40 CFR Part 75, Appendix G, Section 2.3, Equation G-4, using:
 - (a) the default emission factor of 118.9 lb CO_2 /MMBtu; or
 - (b) a custom emission factor determined in accordance with 40 CFR Part 75, Appendix F, section 3.3.6, Equation 7-b.

D. Methane (CH_4) and nitrous oxide (N_2O) emissions

- (1) Calculate the CH_4 and N_2O emission rates in short tons per hour during all periods of operation, using the following:
 - (a) Measured hourly heat input; and
 - (b) Default emission factors of from Table C-2 of 40 CFR Part 98, Subpart C, version effective January 1, 2015.

- E. CO₂e Emission Rate
 - (1) CO₂e emission rate, in short tons per month, equals the sum of the CO₂ emissions and the CO₂e-converted emissions of CH₄ and N₂O.
 - (2) The CH₄ and N₂O emission rates are converted to CO₂e emissions using the Global Warming Potentials of 25 for CH₄ and 298 for N₂O, from Table A-1 of 40 CFR Part 98, Subpart A, version effective January 1, 2015.
- 9. Annual Efficiency Demonstration and 12-month rolling data
 - A. Following the initial compliance demonstration, the permit holder shall demonstrate compliance annually with the output-specific CO₂ emissions limit in this permit. The emission rate is to be calculated using the following:
 - (1) Output-specific CO₂ emissions are the sum of the hourly CO₂ emissions for three consecutive hours divided by the sum of hourly MW production data for the same three hour period.
 - (2) The annual 3-hour test for the output-specific CO₂ emission rate shall be performed while the unit is operating as close to 100 percent load as possible under the ambient conditions, with or without evaporative cooling, corrected to 95°F and based on the gross electrical output (MW).
 - B. Emissions of CO₂, CH₄, N₂O, and CO₂e in tons per year to show compliance with the limits of the MAERT.
 - (1) Monthly emissions are the sum of the hourly emissions for that month and include all periods of operation.
 - (2) At the end of each calendar month, add the monthly emissions to the monthly emissions for the previous 11 months.
- 10. In lieu of the CO₂ calculation requirements of this permit the permit holder may install, calibrate, maintain, and operate a continuous emissions monitoring system (CEMS) for CO₂ emission measurements on the turbine. The CEMS shall meet the specifications and test procedures for CO₂ emission monitoring system at stationary sources, 40 CFR Part 98; or meet the requirements of 40 CFR Part 60, Appendix B, Performance Specification 3 and follow the monitoring requirements of 40 CFR § 60.13. The permit holder shall also measure volumetric flow and install a data acquisition and handling system to record all measurements.

Continuous Demonstration of Compliance (Fuel Gas Heater)

- 11. The holder of this permit shall install, maintain, and operate a non-resettable hour meter to measure and record the hours of operation of the fuel gas heater.
 - A. The operational data must be automatically recorded with a data acquisition and handling system.
- 12. Fuel gas heater emission calculations.

- A. Calculate monthly and 12-month rolling GHG emissions from the fuel gas heater, for all periods of operation, using the hours of operation and rated capacity of the unit to calculate heat input in combination with the equations (converting metric tons to short tons) in 40 CFR Part 98 as follows:
- B. Calculate the CO₂ emission rates in short tons per hour during all periods of operation, using the following:
 - (1) Calculated heat input; and
 - (2) Default emission factors of from Table C-1 of 40 CFR Part 98, Subpart C, version effective January 1, 2015.
- C. Calculate the CH₄ and N₂O emission rates in short tons per hour during all periods of operation, using the following:
 - (1) Calculated heat input; and
 - (2) Default emission factors of from Table C-2 of 40 CFR Part 98, Subpart C, version effective January 1, 2015.

Continuous Demonstration of Compliance (Circuit Breakers)

13. The sulfur hexafluoride (SF₆)-enclosed circuit breakers used to prevent damage in the event of a power surge must be designed to meet the 2015 IEEE/IEC 62271-37-013 standard for high-voltage circuit breakers. The circuit breakers must be guaranteed to achieve a SF₆ leak rate of 0.5% by weight or less annually. The circuit breakers must be in a totally enclosed, pressurized compartment equipped with an alarm that signals the plant control room in the event that the density in any circuit breaker falls below the normal operating density as specified by the manufacturer.

The permit holder shall equip the circuit breakers with a low density alarm and lockout. As soon as practicable following the detection of a leak, plant personnel shall take one or more of the following actions:

- A. Locate and isolate the leak using a sulfur hexafluoride (SF₆) leak collections or containment system to control the leak until repair or replacement can be made if immediate repair is not possible.
- B. Commence repair or replacement of the leaking component.

Continuous Demonstration of Compliance (Natural Gas Fugitives)

14. The permit holder shall minimize emissions from pressurized components and equipment containing GHG as follows:
 - A. Piping and valves in natural gas service within the operating area must be checked monthly for leaks using audio, visual, and olfactory (AVO) sensing for natural gas leaks. If the site is not manned for a given month, an AVO check shall be performed within one week after plant personnel return to the site for the purpose of operating the facilities authorized by this permit.

- B. As soon as practicable following the detection of a leak, plant personnel shall take one or more of the following actions:
 - (1) Locate and isolate the leak, if necessary.
 - (2) Commence repair or replacement of the leaking component.

Maintenance, Startup, and Shutdown

- 15. The permit holder shall minimize the duration of uncontrolled venting of natural gas during MSS according to good engineering practices.

Recordkeeping Requirements

- 16. Permit holders must keep records sufficient to demonstrate compliance with 30 Texas Administrative Code § 116.164. Records shall be sufficient to demonstrate the amount of emissions of GHGs from the source as a result of construction, a physical change or a change in method of operation does not require authorization under 30 TAC §116.164(a).
- 17. The following records shall be kept at the plant for the life of the permit. All records required in this permit shall be made available at the request of personnel from the TCEQ, EPA, or any air pollution control agency with jurisdiction:
 - A. A copy of this permit.
 - B. Permit application dated November 21, 2014, and subsequent representations submitted to the TCEQ.
- 18. The following information shall be maintained by the holder of this permit in a form suitable for inspection for a period of five years after collection and shall be made available upon request to representatives of the TCEQ, EPA, or any local air pollution control program having jurisdiction:
 - A. For the combustion turbine EPN CTG1-STK, records of the following:
 - (1) Fuel usage in MMBtu, kept hourly, monthly, and 12-month rolling basis.
 - (2) Hours of operation.
 - (3) Averages of CH₄, N₂O, CO₂, and CO₂e emissions, kept hourly, monthly, and on a 12-month rolling average.
 - (4) Records of monthly sampling of natural gas HHV determinations.
 - (5) Records of hours of operation of to demonstrate compliance with this permit.
 - (6) Records of the annual efficiency demonstration detailed in in this permit.
 - B. For the fuel gas heater, records of the following:
 - (1) Hours of operation.
 - (2) Calculated fuel usage in MMBtu kept monthly and 12-month rolling basis.
 - (3) CH₄, N₂O, CO₂ and CO₂e emission rates.

- (4) Records of inspections, cleaning, calibration, maintenance, replacement and repair.
- C. Records of triggered alarms and maintenance or leak repair performed on SF₆ containing circuit breakers.
- D. Records of AVO checks on the natural gas fuel and maintenance performed to any piping and valves in natural gas service to show compliance with this permit.
- E. Records of calibrations, preventative maintenance, and/or repairs performed on natural gas flow meters.

Date: December, 2015

DRAFT

Emission Sources - Maximum Allowable Emission Rates

Permit Number GHGPSDTX116

This table lists the maximum allowable emission rates of greenhouse gas (GHG) emissions, as defined in Title 30 Texas Administrative Code § 101.1, for all sources of GHG air contaminants on the applicant's property that are authorized by this permit. The emission rates shown are those derived from information submitted as part of the application for permit and are the maximum rates allowed for these facilities, sources, and related activities. Any proposed increase in emission rates may require an application for a modification of the facilities authorized by this permit.

Air Contaminants Data

| Emission Point No. (1) | Source Name (2) | Air Contaminant Name (3) | Emission Rates |
|------------------------|---|--------------------------|----------------|
| | | | TPY (4) |
| CTG1-STK | Combustion Turbine Unit 1 (Siemens F5) | CO ₂ (5) | 318,834 |
| | | CH ₄ (5) | 5.9 |
| | | N ₂ O (5) | 0.6 |
| | | CO ₂ e | 319,160 |
| HTR1 | Fuel Gas Heater | CO ₂ (5) | 402 |
| | | CH ₄ (5) | 0.01 |
| | | N ₂ O (5) | <0.01 |
| | | CO ₂ e | 403 |
| VOC-FUG | VOC Fugitives (6) | CO ₂ (5) | 0.15 |
| | | CH ₄ (5) | 10.15 |
| | | CO ₂ e | 254 |
| MSS-FUG | ILE Maintenance Fugitives (6) | CO ₂ (5) | <0.01 |
| | | CH ₄ (5) | 0.13 |
| | | CO ₂ e | 3.4 |
| FUG-SF6 | Circuit Breaker Insulation (6) | SF ₆ (5) | <0.01 |
| | | CO ₂ e | 9 |

(1) Emission point identification - either specific equipment designation or emission point number from plot plan.

(2) Specific point source name. For fugitive sources, use area name or fugitive source name.

Emission Sources - Maximum Allowable Emission Rates

- (3) CO₂ - carbon dioxide
- N₂O - nitrous oxide
- CH₄ - methane
- SF₆ - sulfur hexafluoride
- CO₂e - carbon dioxide equivalents based on the following Global Warming Potentials (1/2015):
CO₂ (1), N₂O (298), CH₄(25), SF₆ (22,800)
- (4) Compliance with annual emission limits (tons per year) is based on a 12-month rolling period. These rates include emissions from maintenance, startup, and shutdown.
- (5) Emission rate is given for informational purposes only and does not constitute enforceable limit.
- (6) Fugitive emissions are an estimate only and should not be considered as a maximum allowable emission rate.

Date: December, 2015

Preliminary Determination Summary

Nacogdoches Power, LLC
Permit Number GHGPSDTX116

I. Applicant

Nacogdoches Power LLC
PO Box 2641
Birmingham, AL 35203

II. Project Location

Nacogdoches Power Electric Generating Plant
499 County Road 988
Nacogdoches County
Cushing, Texas 75760

III. Project Description

Nacogdoches Power LLC (NP) amended its non-greenhouse gas (GHG) permit to include the construction of a natural gas-fired simple cycle combustion turbine generator (CTG) within the property of the existing Nacogdoches Power Electric Generating Plant (NPEGP) located at 499 County Road 988, Cushing, in Nacogdoches County, Texas. The new CTG will be owned by Southern Power Company (SPC) and will be operated as a peaking unit. The CTG will be limited to 2,500 hours of operation per year.

The NPEGP currently consists of a biomass bubbling fluidized bed (BFB) boiler and ancillary facilities. The BFB has a gross heat input of 1,374 million British thermal units per hour (MMBtu/hr) and is capable of producing approximately 100 megawatts (MW) of electricity. The permit currently covers the BFB boiler, fire water pump engine, emergency generator engine, cooling tower, fuel storage tanks, and all emissions resulting from the material handling. No changes are being made to this equipment with this permit action.

The CTG unit that NP is proposing to add at NPEGP results in an increase in the potential to emit GHG emissions above the Prevention of Significant Deterioration (PSD) significance level for GHGs. Therefore, the GHG permit only authorizes the CTG and associated equipment for which GHG was triggered.

IV. Greenhouse Gas (GHG) Emissions

| Air Contaminant | Proposed Allowable Emission Rates (tpy) |
|---|--|
| CO ₂ | 319,236 |
| CH ₄ | 16 |
| N ₂ O | 1 |
| SF ₆ | <0.01 |
| CO ₂ Equivalents (CO ₂ e) | 319,829 |

CO₂e - carbon dioxide equivalents based on global warming potentials of CO₂ = 1, CH₄ = 25, N₂O = 298, and SF₆=22,800.

V. Federal Applicability

The site is a major source for a non-GHG pollutant, which are authorized by Permit Numbers 77679 and PSDTX1061M1. In addition, the site has a potential to emit of more than 75,000 tpy CO₂e which makes it a major source of GHG and PSD review is triggered for the GHG application.

| Pollutant | Project Emissions (tpy) | Major Source or Major Mod Trigger Level (tpy) | PSD Triggered Y/N |
|-------------------|--------------------------------|--|--------------------------|
| CO ₂ e | 319,829 | 75,000 | Y |

VI. Control Technology Review

Sources of GHG emissions from the proposed project consist of the CTG, a natural gas dew-point heater, natural gas piping fugitives, ILE Maintenance fugitives, and circuit breakers. Emissions of CO₂ comprise 99.8% of the total annual tons of GHG pollutants (CO₂, CH₄, N₂O, and SF₆) as CO₂e.

NP conducted a BACT analysis that was reviewed and verified by the TCEQ. It included the identification and evaluation of add-on controls, energy efficient processes/practices, equipment design, and available control options for the turbine, natural gas fugitives, and SF₆ insulated equipment. The evaluation included information from the Environmental Protection Agency's (EPA's) RACT/BACT/LAER Clearinghouse (RBLC), on-going permitting in Texas and other states. Only facilities that emit GHGs are in the BACT discussion below.

Carbon Capture and Storage (CCS) was the only add-on pollution control technology that SPC evaluated in the course of their BACT analysis. CCS systems involve the use of adsorption or absorption processes to remove CO₂ from flue gas, with subsequent desorption to produce a concentrated CO₂ stream. The three main capture technologies for CCS are pre-combustion capture, post-combustion capture, and oxy-fuel combustion. Of these approaches, pre-combustion control is applicable primarily to gasification plants, oxy-fuel combustion has not yet reached commercial deployment for gas turbine applications, and the third approach, post-combustion control, is not a technically feasible technology to be applied to power plants.

The capture and compression equipment associated with CCS would have cost impacts based on the installation of additional process equipment (*e.g. amine units, cryogenic units, dehydration unit, and compression facilities*). In addition, power/energy must be provided for the additional combustion unit, and/or increase the parasitic load on the proposed facilities which significantly reduces the net heat rate (efficiency) of the plant. This would result in increases in GHG emissions, as well as criteria pollutants, per megawatt of net electricity produced. Based on the excessive costs and additional negative environmental impacts, CCS was eliminated as a control option for the proposed project.

Consistent with the RBLC, turbine GHGPSD permits issued by EPA and TCEQ and the turbine GHGPSD permits currently being reviewed by TCEQ, the following GHG control technologies and/or work practices are BACT:

Turbine

The new unit at NPEGP will be a Siemens F5 natural gas fired combustion turbines in a simple cycle application, rated at a maximum output of 232 megawatts (MW). The turbine will operate a maximum of 2,500 hours per year. CTG energy efficiency design, practices, and procedures, efficient CTG design, CTG inlet air cooling, periodic CTG burner maintenance and tuning, reduction in heat loss, i.e., insulation of the CTG, instrumentation and controls to achieve the numerical BACT limit of 1316 lbs CO₂/MWh.

Natural Gas Dew-Point Heater

NPEGP proposes a maximum annual GHG emissions limit of 403 tpy for the 2.75 MMBtu/hr natural gas dew-point heater. Good combustion practices will include complying with manufacturers recommended operation and maintenance procedures. Compliance with the maximum annual GHG emissions limit will be demonstrated by monitoring the hours of operation on a 12-month rolling basis. Annual fuel consumption will be calculated based on the hours of operation and heater hourly fuel consumption. GHG emissions from the natural gas dew-point

heater will be calculated using emissions factors from Table C-1 and C-2 of 40 CFR Part 98, Mandatory Reporting of Greenhouse Gases.

Other Emission Sources

Natural Gas Process Fugitives – Fugitive GHG emissions will be calculated for all natural gas piping components on an annual basis to demonstrate compliance with the annual GHG emissions limit. The CTG enclosure is maintained under negative pressure, and any natural gas leaks from piping components within the CTG enclosure will be captured and not emitted to atmosphere. GHG emissions will be calculated using emissions factors contained in EPA's Mandatory Reporting of GHG Rule, 40 CFR 98, Table W-1A, Default Whole Gas Emissions Factors for Onshore Petroleum and Natural Gas Production.

Leak detection and repair programs are potentially applicable and available although natural gas piping fugitive CO₂e emissions are less than 0.01% of the project total. Hand-held analyzers, remote sensing and audio, visual, and olfactory (AVO) detection methods are among the possible control methods. Based on the very small amount of emissions, the least costly of these methods, AVO programs, have been required in recent GHG permits and will be required of SPC on a periodic basis consistent with the conditions of the permit.

Fugitive Sulfur Hexafluoride (SF₆) Emissions from Circuit Breakers - NPEGP proposes to use state-of-the-art enclosed pressure SF₆ circuit breakers as BACT for SF₆. The circuit breakers will be equipped with SF₆ density monitors and a low SF₆ alarm and low density lockout is BACT.

Maintenance, Startup, and Shutdown

The proposed annual GHG CO₂e emissions limits proposed for the simple cycle CTG will apply during periods of startup and shutdown, as well as during periods of normal operation. In order to minimize the duration of the MSS event (consistent with standard operating procedures), the amount of time the equipment is outside the optimal performance will be minimal.

Maintenance activities are authorized in Permit No. 77679. Gaseous fuel venting is the one maintenance activity that contributes to CO₂e; therefore, there is an annual blowdown volume of gas quantified in this permit. Given the nature of these emissions no control is BACT.

VII. Air Quality Analysis

EPA has stated that unlike the criteria pollutants for which EPA has historically issued PSD permits, there is no National Ambient Air Quality Standard (NAAQS) for GHGs, including no PSD increment. The global climate-change inducing

effects of GHG emissions, according to the “Endangerment and Cause or Contribute Finding”, are far-reaching and multi-dimensional (75 FR 66497). Climate change modeling and evaluations of risks and impacts are typically conducted for changes in emissions that are orders of magnitude larger than the emissions from individual projects that might be analyzed in PSD permit reviews. Quantifying the exact impacts attributable to a specific GHG source obtaining a permit in specific places and points would not be possible [EPA’s PSD and Title V Permitting Guidance for GHGs at 48]. Thus, EPA has concluded in other GHG PSD permitting actions it would not be meaningful to evaluate impacts of GHG emissions on a local community in the context of a single permit.

The TCEQ has determined that an air quality analysis would provide no meaningful data and has not required the applicant to perform one. As stated in the preamble to TCEQ’s adoption of the GHG PSD program, the impacts review for individual air contaminants will continue to be addressed, as applicable, in the state’s traditional minor and major NSR permits program per 30 TAC Chapter 116.

VIII. Conclusion

Nacogdoches Power LLC has demonstrated that this project meets all applicable rules, regulations and requirements of the Texas and Federal Clean Air Acts. The proposed facilities and controls represent BACT.

The Executive Director of the TCEQ proposes a preliminary determination of issuance of this permit for Nacogdoches Power LLC to amend the Nacogdoches Power Electric Generating Plant as proposed.