UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 8
1595 Wynkoop Street
Denver, CO 80202-1129
Phone 800-227-8917
www.epa.gov/region08

February 11, 2016

Ref: 8P-AR

David F. Crabtree
Vice President, General Counsel
Deseret Power
10714 South Jordan Gateway
South Jordan, UT 84095

Re: Deseret Power, Bonanza Unit 1, Permit # MNSR-UO-000004-2015.004,
Final Minor New Source Review Permit

Dear Mr. Crabtree:

The U.S. Environmental Protection Agency, Region 8, has completed its review of Deseret Power's request to obtain a minor new source review permit pursuant to the Tribal Minor New Source Review (MNSR) Permit Program at 40 CFR Part 49, for the Bonanza Plant, Unit 1, located on the Uintah & Ouray Indian Reservation in Utah. Based on the information submitted in Deseret Power's November 2, 2015 permit application, we hereby issue the enclosed MNSR permit. Please review each condition carefully and note any restrictions placed on this source.

A 30-day public comment period was held on the proposed permit, from December 22, 2015, through January 21, 2016. We received comments from Deseret Power, the National Park Service, and the National Parks Conservation Association. No other comments were received during the public comment period. Our responses to the public comments and list of several additional changes are enclosed.

This permit authorizes the replacement of the existing low-NO_x burners (LNBs) with new LNBs, along with installation of overfire air (OFA), to reduce nitrogen oxide (NOx) emissions. The permit incorporates the NO_x control requirements and emission limits, as well as a coal consumption cap, from a settlement agreement finalized on December 23, 2015, between Deseret Generation & Transmission Cooperative, Sierra Club, Wild Earth Guardians, and the EPA related to air emissions at the facility. The final permit will become effective on March 13, 2016.

Pursuant to 40 CFR 49.159, within 30 days after the final permit decision has been issued, any person who commented on the specific terms and conditions of the draft permit may petition the Environmental Appeals Board to review any term or condition of the permit. Any person who failed to comment on the specific terms and conditions of this permit may petition for administrative review only to the extent that the changes from the draft to the final permit or other new grounds were not reasonably ascertainable during the public comment period. The 30-day period within which a person may request review begins with this dated notice of the final permit decision. If an administrative review of the final permit is requested, the specific terms and conditions of the permit that are the subject of the request for review must be stayed.

In accordance with the terms of the Settlement Agreement, we plan to withdraw the proposed Prevention of Significant Deterioration (PSD) permit for the Bonanza power plant (PSD-UO-000004-2014.005) which was made available for public comment on December 3, 2014, within ten days after the MNSR permit becomes final and effective.

We will add the final MNSR permit to a list of final MNSR permit actions which is posted on the EPA Region 8 website at http://www.epa.gov/caa-permitting/caa-permits-issued-epa-region-8. Anyone may request a copy of the final MNSR permit at any time by contacting the Region 8 Tribal Air Permit Program at (800) 227-8917 or by sending an email to R8AirPermitting@epa.gov.

If you have any questions concerning the enclosed final permit, please contact Mike Owens of my staff at (303) 312-6440 or at owens.mike@epa.gov.

Sincerely,

Carl Daly, Director
Air Program

Enclosures (2)

cc (with enclosures):
Gene Grindle, Deseret Power
Eric Olsen, Deseret Power
Andrea Issod, Sierra Club
Jeremy Nichols, Wild Earth Guardians

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