Response to Comments and Changes to Proposed Minor New Source Review (MNSR) Permit for Deseret Generation & Transmission Cooperative, Bonanza Power Plant

Comments from Deseret Generation & Transmission Cooperative – Dated and Received January 21, 2016

1. Page 5, Item I.C.6: Deseret has not agreed, as part of the Settlement Agreement or otherwise, to any modification of existing permits for the operation or construction of the Bonanza Unit which would impose a requirement to operate and maintain the unit and/or activity(ies) consistent with "good air pollution control practices," and Deseret believes that the incorporation of that condition to the proposed Permit is unnecessary. It could also yield vague and ambiguous differing interpretations, which Deseret does not view to be consistent with the intent or appropriate reach of regulatory authority under the Clean Air Act, as it provides inadequate due process to the operator of the Unit by virtue of its inherently vague wording. Moreover, Deseret does not believe the word "maintenance" is appropriate and therefore suggest it be deleted from the wording of this Item in referring to "periods of startup, shutdown, *maintenance*, and malfunction;" the word "maintenance" is not justified by wording of the relevant statute and/or regulations in this or similar contexts.

   EPA Response: While we do not necessarily agree with all the points raised in this comment, we do agree to delete the proposed condition I.C.6 because the language at issue, "good air pollution control practices" and "startup, shutdown, maintenance and malfunction" is not applicable to Deseret's permit.

2. Page 6, Item I.D.2: The requirement to submit report(s) of coal consumption under condition I.D of the Permit should not commence prior to January 1, 2020. To avoid inconsistent and duplicative reporting of coal consumption, and to render reporting timeframes that are consistent within the draft Permit, Deseret suggests that coal consumption reports set forth in Item I.D.2 be permitted to be submitted at the same time and on the same schedule each year beginning April 1, 2020, as the reporting period for accumulated coal consumption, set forth in Item I.H.3 (April 1 and October 1 of each year). Deseret suggests changing the language at the end of the first sentence which currently reads: "and reported with the Plant's compliance report for the relevant reporting period (currently submitted at least semiannually under 40 CFR 60.51Da)." to read: "Coal consumption reports for the relevant reporting period commencing January 1, 2020 as required hereunder will be submitted at least semiannually and may be submitted at the same time (April 1 and October 1) with accumulated coal consumption reports required pursuant to condition I.H.3 below. The report due on April 1 will cover relevant time periods from the prior September through February and the report due on October 1 will cover from the prior March through August."

EPA Response: The suggested replacement language is unnecessary, as it would be redundant with language in condition I.H.3. However, to make it clear that I.H.3 shall be the only reporting requirement for coal consumption reports, EPA will delete the following language: "and reported with the Plant's compliance report for the relevant reporting period (currently submitted at least semiannually under 40 CFR 60.51Da)" and replace it with "Reports of accumulated coal consumption shall be submitted as required by condition I.H.3."

3. Page 7, Item I.E.2(d): The requirements of this sub-item go beyond any provision of the Settlement Agreement, which merely requires that NO_x emissions be monitored using CEMS system which complies with the requirements of 40 CFR Part 75. The provisions of this sub-item go beyond those requirements and should be deleted.

   EPA Response: We agree. Permit condition I.E.2(d) has been deleted and I.E.2 will now include the following introduction, "The Permittee shall maintain and operate the CEMS consistent with requirements at 40 CFR Part 75, including, but not limited to the following:"

4. Page 9, Item I.F.5: Deseret suggests deleting this item as it is already stated in item I.F.3.

   EPA Response: We disagree. Condition I.F.3 requires retention of quality assurance and quality control records. Condition I.F.5 pertains to all other records. No change has been made to the permit in response to this comment.

5. Page 9, Item I.F.6: Deseret suggests changing the first word of this Item from "all" to "any currently effective" in order to reflect that specifications and maintenance requirements are updated, corrected, and superseded from time to time.

   EPA Response: We disagree with the suggestion to change the language to "any currently effective." It is necessary to have past records on site, not just records reflecting currently effective specifications and maintenance requirements and the permit only requires records to be retained for 5 years under section I.G.1. However, to make sure there is no misunderstanding about whether records of updates are required to be kept, we have added, to the end of the condition, the phrase "including any updates to such requirements."

6. Page 9, Item I.H.1: The provision for reporting compliance of the new LNB/OFA with the revised NO_x emission limit should not begin until after the LNB/OFA project is completed. To clarify this, Deseret suggests adding the following clause at the very beginning of the first paragraph in Item I.H.1: "Beginning no later than 425 boiler operating days after installation of LNB/OFA…"

   EPA Response: We agree to add the following sentence to the condition for I.H.1: "Beginning no later than 425 boiler operating days after installation of LNB/OFA, the Permittee shall submit written reports by April 1 and October 1 of each year demonstrating compliance with the NO_x emission limit in condition I.C.2." This change

also requires us to separate the reporting requirements for I.C.2, I.C.3 and I.C.4 into subparts by creating I.H.1(a) and I.H.1(b)(i) and (ii) to accurately reflect the requirements for each.

7. Page 10, Item I.H.2: The draft permit condition goes beyond any provision agreed to by Deseret pursuant to the Settlement Agreement or otherwise, and is not required pursuant to provisions of either 40 CFR Part 60 and/or Part 75 CEMS monitoring program requirement. Deseret does not believe a separate CEMS Performance Report requirement is justified or warranted, and suggests this condition be deleted. In any event, and in addition, Deseret would also have the same comment on this Item as the preceding item. The requirements for CEMS monitoring as set forth in applicable regulation are already contained in the draft Permit as Items I.E.2.(a) through (c). To the extent any such provision remains in the permit, Deseret suggests adding the following clause at the very beginning of the first paragraph in Item I.H.2: "Beginning no later than 60 boiler operating days after installation of LNB/OFA…"

   EPA Response: EPA does have the authority to require CEMS performance reports under 40 CFR 75.60. However, upon further consideration EPA believes that the CEMS performance report is unnecessary and duplicative because this information required by 40 CFR Part 75 is already reported as part of the facility's Clean Air Act "Air Pollution Control Permit to Operate" (Permit Number V-UO-000004-00.01) obligations. Therefore, EPA will not require a CEMS performance report to be submitted as a condition of this permit.

8. Page 10, Item I.H.3: See comment regarding Item I.D.2 above. Deseret suggests that the Permit provision specify the dates the April and October reports in I.H.3 are supposed to account for by adding the following two sentences at the end of the paragraph: "The report due on April 1 shall provide the accumulated coal consumption in short tons since January 1, 2020 until the last day of February before the report is due. The report due on October 1 shall provide the accumulated coal consumption in short tons since January 1, 2020 until the last day of August before the report is due."

   EPA Response: We agree. The requested language has been added to permit condition I.H.3.

9. Page 12, Item II.A.6: Deseret has not agreed, in the Settlement Agreement or otherwise, to an addition of this "general condition" pertaining to a possible "NAAQS violation or a PSD increment violation." The remedy under the CAA for an area that is designated non-attainment would be to develop an implementation plan that is not targeted to nor aimed at operations of any specific source. Deseret does not view it as a violation of any permit issued to the Bonanza Unit should there be a future re-classification of an area as non-attainment with any established NAAQS standard.

   EPA Response: We disagree. The phrase "must not cause or contribute to a NAAQS violation or PSD increment violation" is a required condition of the permit per 40 CFR 49.155(a)(7)(ii), which states that a "permitted source must not cause or contribute to a

NAAQS violation or in an attainment area, must not cause or contribute to a PSD increment violation.". No change to the permit has been made in response to this comment.

Comments from National Park Service – Dated January 5, 2016; Received January 11, 2016

We appreciate that this draft permit action represents a major effort in resolving a longstanding problem and that it will result in a significant reduction in emissions of nitrogen oxides (NO_x) in the vicinity of several of our park units.

Bonanza's Impacts on National Park Service Units

There are 14 Class I areas within 300 km of Bonanza, five of which are administered by the National Park Service (NPS). The nearest NPS Class I areas are Arches and Canyonlands National Parks, 150 and 180 km south-southwest of Bonanza, respectively. Our CALPUFF modeling predicts that Bonanza contributes significantly (>0.5 deciviews) to visibility impairment at both of these national parks; 76% of the impairment is due to NO_3. The nitrogen Deposition Analysis Threshold (DAT) is not exceeded in either park.

The closest NPS unit is Dinosaur National Monument (DINO), a Class II area about 35 km north of the plant. VISCREEN Level 1 modeling predicts that perceptibility criteria within DINO are being exceeded. Our CALPUFF modeling predicts that Bonanza is causing over 6 deciviews (dv) of visibility impairment at DINO and contributes at least 0.5 dv of impairment on about half of all days per year; 66% of the impairment is due to nitrate (NO_3). Nitrogen deposition at DINO is predicted to exceed our nitrogen DAT by a factor of 35 times, which is a concern for us in this ecologically-sensitive area.

EPA's Proposed Action

We are pleased that the draft permit includes a proposal by EPA and Deseret to partially address comments we submitted in 2002 by reducing NOx emissions (by about 25%) by installing low-NOx burners and overfire air. It is our understanding that it may still be possible for Deseret to install these new combustion controls during the spring 2016 scheduled outage, and we encourage all parties to expedite that installation. It is also our understanding that condition #11 of the proposed settlement, upon which this proposed permit is based, recognizes that Bonanza may still be subject to a "reasonable progress analysis" under the Regional Haze Rule. We encourage EPA to conduct such a "reasonable progress analysis" as soon as possible once condition I.C.2 of the proposed permit is satisfied and normal NOx emissions are determined. Such a "reasonable progress analysis" is necessary to evaluate potential ways to further reduce impacts upon our park resources.

EPA Response: We acknowledge the comments and support for our permit action. No changes to the permit have been made in response to these comments.

Comments from National Parks Conservation Association – Dated and Received January 21, 2016

NPCA's mission is to protect and enhance America's national parks for the use and enjoyment of present and future generations. Our members and supporters regularly visit and care deeply about Canyonlands National Park, Arches National Park, and the other units of the National Park Service in and near Utah.

We support and incorporate the January 5, 2016 comments submitted by the National Park Service on this matter, and echo their observations and requests. Specifically:

- We encourage EPA and all parties to expedite installation of the proposed low-NO_x burners and overfire air such that they are installed during the facility's spring 2016 outage.
- We note the significant impacts from NO_x emissions from Bonanza to visibility impairment at the Class I areas Arches and Canyonlands as well as to visibility impairment and nitrogen deposition at the nearby Class II area Dinosaur National Monument.
- We encourage EPA to perform a reasonable progress analysis for Bonanza under the Regional Haze Rule as soon as possible to determine additional emission reduction measures that are available to benefit the parks and wilderness areas that continue to be impacted by Bonanza's emissions.

EPA Response: We acknowledge the comments and the support for our permit action. No changes to the permit have been made in response to these comments.

Changes made by EPA to the final permit that were not as a result of any comments received during the public comment period

- Page 2, Summary Section: EPA corrected this section to clarify that the settlement agreement was finalized on December 23, 2015.

- Page 10, Section I.H.3: EPA corrected the date for first reporting of the coal consumption cap information to 2020, the year the coal consumption cap permit condition begins, instead of 2021.

- Page 10, Section I.H.4: EPA corrected this section to clarify that all reports in sections "I.H.1, I.H.2 and I.H.3" shall be certified, not sections "I.1, I.2 and I.3".