



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

OFFICE OF AIR AND RADIATION

April 15, 2021

Ms. Mary Fisher
Vice President, Energy Production and Nuclear Decommissioning
Omaha Public Power District
444 South 16th Street Mall
Omaha, Nebraska 68102-2247

Re: Petition for a waiver of the 50-ton ozone-season NO_x limit for units 1 and 2 at the Sarpy County Station (Facility ID (ORISPL) 2292)

Dear Ms. Fisher:

The United States Environmental Protection Agency (EPA) has reviewed the June 1, 2017 petition submitted under 40 CFR 75.66 by Omaha Public Power District (OPPD) in which OPPD requested a waiver of the 50-ton ozone-season nitrogen oxides (NO_x) limit as a qualifying condition for use of the low mass emissions (LME) methodology in § 75.19 for units 1 and 2 at the Sarpy County Station (Sarpy County). EPA approves the petition in part, with conditions, as discussed below.

Background

OPPD owns and operates Sarpy County, which is located in Sarpy County, Nebraska. Units 1 and 2 are simple cycle combustion turbines combusting pipeline natural gas as the primary fuel and diesel oil as a secondary fuel. Each unit serves a separate electric generator with a capacity of 55.4 megawatts (MW). According to OPPD, both units are subject to the Cross-State Air Pollution Rule (CSAPR) annual trading programs for sulfur dioxide (SO₂) and NO_x. Sarpy County units 1 and 2 are therefore required to continuously monitor and report SO₂ mass emissions, NO_x mass emissions, and heat input in accordance with 40 CFR part 75.

From 2015 through 2018, OPPD used the LME methodology in § 75.19 to satisfy the part 75 monitoring requirements for Sarpy County units 1 and 2. Under § 75.19(a)(1)(i)(A)(2) and (a)(1)(i)(B), in order to remain qualified to use the LME methodology, a unit that reports NO_x mass emissions year-round and is not subject to the Acid Rain Program, such as Sarpy County units 1 and 2, must annually demonstrate that its NO_x mass emissions are less than 100 tons during the full year and no more than 50 tons during the May-September ozone season. Under § 75.19(b)(2)(ii), exceeding either the annual NO_x limit or the ozone-season NO_x limit in a given year causes a unit to lose its LME qualification and requires the unit

to implement another part 75 monitoring methodology by December 31 of the calendar year immediately following the year in which the NO_x limit was exceeded.

When OPPD determined and reported 2015 emissions for Sarpy County units 1 and 2 using the LME methodology, the reported NO_x mass emissions for each unit were less than 100 tons during the full year but exceeded 50 tons during the ozone season. Absent a waiver of the requirement to demonstrate that the units' reported NO_x mass emissions for the 2015 ozone season were no more than 50 tons, the units would have lost their qualification to use the LME methodology and OPPD would have been required to implement another part 75 monitoring methodology by December 31, 2016. In 2016, the reported NO_x mass emissions from each unit determined using the LME methodology again were less than 100 tons during the full year but more than 50 tons during the ozone season.

Aware that EPA had previously granted a waiver of the 50-ton ozone-season NO_x limit for a similarly situated unit,¹ on June 1, 2017, OPPD submitted a petition requesting a waiver of the 50-ton ozone-season NO_x limit for 2015 and all subsequent years to allow Sarpy County units 1 and 2 to continue to qualify to use the LME methodology. In support of its request, OPPD stated that waiver of the LME qualification requirement related to ozone-season NO_x emissions is appropriate for units 1 and 2 because the units are not otherwise subject to part 75 requirements related to ozone-season NO_x emissions (except to the extent that those emissions are part of the units' annual NO_x emissions). OPPD also noted that the current LME qualification provisions were adopted in 2002, when there was no NO_x mass emissions regulatory program that established part 75 requirements related to annual but not ozone-season NO_x mass emissions. The Sarpy County units first became subject to part 75 requirements related to annual NO_x mass emissions, but not ozone-season NO_x mass emissions, in 2015 with the implementation of the CSAPR trading programs.

After submitting the petition and before receiving a response, OPPD determined and reported 2017 emissions for Sarpy County units 1 and 2 using the LME methodology, and the reported NO_x mass emissions for each unit exceeded not only the 50-ton ozone-season limit but also the 100-ton annual limit. Exceedance of the 100-ton annual limit triggered the requirement to implement another part 75 monitoring methodology by December 31, 2018, regardless of any possible waiver of the 50-ton ozone-season limit, and accordingly OPPD discontinued use of the LME methodology and commenced use of the methodologies under appendices D and E to part 75 as of January 1, 2019. OPPD's request for a waiver of the 50-ton ozone-season NO_x limit therefore remains relevant as to emissions in 2015 and 2016 but is moot as to emissions in 2017 and subsequent years as long as Sarpy County units 1 and 2 continue to monitor and report emissions using the methodologies under appendices D and E.

However, under § 75.19(b)(5), a unit that has lost its qualification to use the LME methodology may later requalify if at least three full years of actual, monitored emissions data obtained after the loss of qualification show that the unit did not emit in excess of the applicable limits under § 75.19(a)(1)(i)(A). Further, after any such requalification, the requirement under § 75.19(a)(1)(i)(B) to annually demonstrate emissions below the applicable limits under § 75.19(a)(1)(i)(A) would again apply. The

¹ Refer to EPA response to petition for Rokeby plant (March 21, 2017), available at <https://www.epa.gov/airmarkets/responses-40-cfr-part-75-petitions-2017>.

NO_x emissions determined and reported for Sarpy County units 1 and 2 for 2019 and 2020 using the methodologies in appendices D and E to part 75 have been less than 50 tons per unit per year, raising the possibility that at some point in the future OPPD could submit an application for requalification of the units to use the LME methodology. OPPD's request for a waiver of the 50-ton ozone-season NO_x limit under § 75.19(a)(1)(i)(A)(2) for years subsequent to 2018 therefore could once again become relevant in the event that OPPD elects to resume use of the LME methodology and the units cannot demonstrate compliance with the 50-ton ozone-season NO_x limit for a given year but can meet all the other requirements for requalification and subsequent annual demonstrations.

EPA's Determination

For the following reasons, EPA approves, with conditions, OPPD's petition to waive the 50-ton ozone-season NO_x emission limit under 40 CFR 75.19(a)(1)(i)(A)(2) for Sarpy County units 1 and 2 for purposes of the annual demonstrations under § 75.19(a)(1)(i)(B) for 2015 and 2016. First, EPA agrees that the purpose of including the 50-ton ozone-season NO_x limit in § 75.19(a)(1)(i)(A)(2) in addition to the 100-ton annual NO_x limit was to ensure that regardless of whether a unit reported NO_x mass emissions for the full year or only the ozone season, because all units covered by the provision were expected to be subject to the ozone-season NO_x requirements under the NO_x Budget Trading Program, those units that chose to use the LME methodology in place of other monitoring approaches would be subject to a consistent qualification requirement as to ozone-season NO_x mass emissions.² Second, because Sarpy County units 1 and 2 are not otherwise subject to part 75 requirements related to ozone-season NO_x mass emissions (except to the extent that those emissions are part of the units' annual NO_x mass emissions), the purpose of ensuring consistent treatment across all units subject to part 75 requirements related to ozone-season NO_x mass emissions does not apply in this instance. Third, allowing Sarpy County units 1 and 2 to use the LME methodology through this waiver does not expand the universe of units eligible to use methods other than continuous emissions monitoring systems (CEMS) to meet part 75 requirements, because the units can qualify to, and in fact currently do, monitor NO_x mass emissions using appendix E to part 75, which similarly does not require the use of NO_x CEMS equipment.

For the same reasons, in the event that OPPD elects to resume use of the LME methodology in the future for Sarpy County units 1 and 2, EPA also approves the request to waive the 50-ton ozone-season NO_x emission limit under 40 CFR 75.19(a)(1)(i)(A)(2) for the units both for purposes of requalification to use the LME methodology under § 75.19(a)(2) and (b)(5) and for purposes of the annual demonstrations under § 75.19(a)(1)(i)(B) following any such requalification, provided that the units remain subject to part 75 requirements only with respect to SO₂ and annual NO_x emissions and not with respect to ozone-season NO_x emissions.

² Refer to 67 FR 40394, 40403 (June 12, 2002).

Conditions of Approval

1. If OPPD elects to resume use of the LME methodology for Sarpy County units 1 and/or 2 in the future, the units must requalify to use the LME methodology according to the requirements established under § 75.19 before resuming such use, and thereafter must meet all requirements under § 75.19 for continued use of the methodology, except the 50-ton ozone-season NO_x emission limit under § 75.19(a)(1)(i)(A)(2).
2. If Sarpy County units 1 and/or 2 become subject to additional part 75 requirements with respect to ozone-season NO_x emissions in the future, the 50-ton ozone-season NO_x emission limit under § 75.19(a)(1)(i)(A)(2) is not waived with respect to any qualification for use of the LME methodology for the units in any year for which such additional part 75 requirements apply.

EPA's determination relies on the accuracy and completeness of OPPD's June 1, 2017 petition and is appealable under 40 CFR part 78. If you have any questions regarding this determination, please contact Ron Sobocinski at (202) 343-9722 or by email at sobocinski.ron@epa.gov.

Sincerely,

Reid Harvey, Director
Clean Air Markets Division

cc:

Scott Postma, EPA Region VII
Matt Turco, Nebraska DEQ
Ron Sobocinski, CAMD