



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

WASHINGTON, D.C. 20460

FEB 11 2002

OFFICE OF  
AIR AND RADIATION

Mr. Jason M. Goodwin, P.E.  
Manager, Environmental - Air Quality Group  
Calpine Central, L.P.  
700 Milam, Suite 800  
Houston, Texas 77002

Re: Petition for extension for CEMS certification at Baytown Units CTG-1 and CTG-2

Dear Mr. Goodwin:

The United States Environmental Protection Agency (EPA) has reviewed Calpine Central, L.P.'s (Calpine) January 4, 2002 petition under §75.66(a) of the Acid Rain regulations. The petition requests extension beyond the 90-day regulatory deadline to complete certification of continuous emission monitors (CEMS) for nitrogen oxide (NO<sub>x</sub>) for two new units under Part 75. For the reasons discussed below, EPA approves the petition with conditions.

Background

Calpine is nearing the completion of construction of the Baytown Energy Center (Baytown), which is a three-unit cogeneration facility near Baytown, Texas. In accordance with the requirements of §75.62(a), Calpine submitted a monitoring plan to EPA for the units (Units CTG-1, CTG-2 and CTG-3) on December 8, 2001. The units commenced commercial operation on November 3, December 7 and December 22, 2001, respectively. Section 75.4(b)(2) requires completion of NO<sub>x</sub> CEMS certification and testing at each unit within 90 days of commencement of the unit's commercial operation.

The petition explains that the project has undergone a number of delays due to technical problems. Unit CTG-1 was the first unit to be built and undergo commissioning tests, and the unit sat idle while construction of the other units and equipment was completed. Further, commissioning of Units CTG-2 and CTG-3 was delayed due to replacement of the main power generation export transformers. The transformers connect the plant to the utility grid and failed during commissioning. The first transformer replacement was completed on January 10, 2002, and the second will be completed by mid-February 2002.

Due to these delays in equipment commissioning, Calpine anticipates that the units will not be capable of full-load operation until early February 2002. As a result, the relative accuracy test

audit (RATA) component of the NO<sub>x</sub> CEMS certification testing, which must be performed at full load, will not be completed for Unit CTG-1 until after that unit's 90-day certification deadline (February 1, 2002). Calpine therefore needs an extension of the deadline for Unit CTG-1's NO<sub>x</sub> CEMS certification.

The petition also states that the existing certification deadline for Unit CTG-2 (March 7, 2002) is only about two weeks after the existing deadline for Unit CTG-3 (March 22, 2002) and that Calpine intends to coordinate certification testing of the three units. A single CEMS certification deadline for all three units will provide more flexibility for the scheduling of certification testing. For these reasons, Calpine requests extension of the NO<sub>x</sub> CEMS certification deadlines for both Unit CTG-1 and Unit CTG-2 to March 22, 2002.

#### EPA's Determination

As discussed above, Calpine experienced a number of unavoidable, technical problems during the start-up of the new units at Baytown. These problems adversely affected operation of the units and will prevent Calpine from meeting the existing certification deadline for Unit CTG-1. Calpine appears to have taken reasonable measures to promptly resolve these problems. Further, a single certification deadline for the three units will allow coordination of their testing and result in a minimal delay in certification. Under these circumstances, EPA approves the petition for extension of the certification deadlines until March 22, 2002 for Units CTG-1 and CTG-2.

However, EPA maintains that the extensions should be conditioned on Calpine reporting emissions for the entire period for which reporting is required under Part 75, i.e., starting from the original certification deadline. Consequently, Calpine shall report substitute data for Units CTG-1 and CTG-2 for each operating hour, from the first hour after 90 days from the respective unit's commencement of commercial operation until the hour for which that unit's NO<sub>x</sub> CEMS are certified under §75.20(a). In order to ensure that emissions are not under-reported, Calpine shall use, as substitute data, the maximum potential emission rate for NO<sub>x</sub> in accordance with Part 75, Appendix A, Section 2.1.2.1.

EPA's determination relies on the accuracy and completeness of the information in the January 4, 2002 petition and the supplemental information submitted on January 11, 2002 and is appealable under Part 78 of the Acid Rain regulations. If you have any further questions about this matter, please contact Ruben Deza at (202) 564-3956.

Sincerely,

  
Brian J. McLean, Director  
Clean Air Markets Division

cc. Joseph Winkler, Region VI