



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

APR 30 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 through CTG-3

Dear Mr. Goodwin:

The United States Environmental Protection Agency (EPA) has reviewed Calpine Central, L.P.'s (Calpine) March 12, 2002 petition under §75.66(a) of the Acid Rain regulations. The petition requests extension of the deadline to complete certification of continuous emission monitors (CEMS) for nitrogen oxide (NO_x) for three new units at Baytown Energy Center (ORIS Code # 55195) (Baytown) under Part 75. For the reasons discussed below, EPA approves the petition with conditions.

Background

Baytown Energy Center, L.P. is completing construction of Baytown, which is a three-unit cogeneration facility located near Baytown, Texas. As required under §75.4(b)(2), certification of the CEMS for each unit (Units CTG-1, CTG-2, and CTG-3) at Baytown must be completed within 90 days after the unit's commencement of commercial operation.

Calpine submitted a monitoring plan to EPA for the units on December 8, 2001. The original CEMS certification deadlines for the units were: for Unit CTG- 1, February 1, 2002; for Unit CTG-2, March 7, 2002, and for Unit CTG-3, March 22, 2002. EPA recently granted Calpine an extension of those deadlines due to technical problems with the units and set a new deadline of March 22, 2002 for all three units. Due to further delays in equipment commissioning at Baytown, Calpine anticipates that the units will be incapable of sustained, full-load operation until the end of March, after the existing deadline for certification testing.

The new delay in the commissioning schedule for Baytown was the result of events requiring Calpine to remove the units from service. On one unit, a steam drain line in the unit's

heat recovery steam generator (HRSG) experienced significant translational and torsional distortion at higher loads, presenting a major safety and operational concern. This drain line is designed to allow condensed water to drain from the HRSG's steam loop, with flow in the line proportional to the load. Calpine redesigned and replaced the steam drain line system on all three units in order to resolve this problem, and this necessitated removing them from service for 14 days.

Also, Calpine found a significant problem with the combustion turbine (CT) rotor cooling system, which maintains the CT rotor temperature within acceptable parameters. A heat exchanger is used to remove heat from the CT rotor, generating steam used in the low-pressure section of the HRSG. Calpine discovered that the makeup water supply line feeding the kettle boiler in the cooling system was undersized and ran dry as the unit operated at higher loads for relatively short periods of time. Calpine took the units out of service for 7 additional days to replace water supply lines to the heat exchanger.

These two events resulted in commissioning delays of 21 days during which Units CTG-1, CTG-2, and CTG-3 were not able to operate. Calpine requests that EPA grant an extension of the applicable CEMS certification deadline for the units to April 12, 2002.

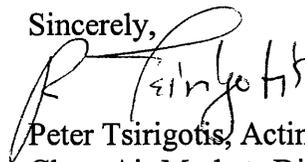
EPA's Determination

Calpine experienced unavoidable technical problems during the commissioning of the new units at Baytown. These problems will prevent Calpine from meeting the existing certification deadlines for Units CTG-1, CTG-2 and CTG-3. Calpine appears to have taken reasonable measures to resolve these problems. Under these circumstances, EPA approves the petition for extension of the certification deadlines until April 12, 2002 for the units.

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 for each unit. Consequently, Calpine shall report substitute data for Units CTG-1, CTG-2, and CTG-3 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_x 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_x 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 March 12, 2002 petition 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,



Peter Tsirigotis, Acting Director
Clean Air Markets Division

cc. Joseph Winkler, Region VI