



SCOTT A. THOMPSON
Executive Director

OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY

MARY FALLIN
Governor

June 29, 2016

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Mr. Ron Curry, Regional Administrator (6RA)
U.S. Environmental Protection Agency, Region 6
1445 Ross Avenue, Suite 1200
Dallas, Texas 75202-2733

Subject: Oklahoma's SO₂ Source Designation Submittal Required by 40 CFR Part 51, Subpart BB, Data Requirements for Characterizing Air Quality for the Primary SO₂ NAAQS

Dear Administrator Curry:

The Department of Environmental Quality (DEQ), as the air agency responsible for implementation of the 2010 SO₂ National Ambient Air Quality Standards (NAAQS) in Oklahoma, submitted its list of sources to be characterized under the SO₂ Data Requirements Rule (DRR), 40 CFR Part 51, Subpart BB. In a March 21, 2016 letter, U.S. Environmental Protection Agency (EPA) stated it had reviewed DEQ's letter, concurred with the list of ten (10) sources provided, and would not be adding other sources to the list at that time.

The purpose of this letter is to address the next milestone under the DRR: that each air agency must identify, for each listed source, the approach it will use to characterize air quality in the respective area (air quality modeling, ambient monitoring, or establishment of a federally enforceable limit). Table 1 - Timeline for DRR implementation, 80 Fed. Reg. 51604. Attachment 1 identifies each source and how DEQ plans to characterize peak 1-hour SO₂ concentrations in areas surrounding the ten (10) identified sources (through ambient air monitoring, air quality modeling, or establishment of federally enforceable emission limits).

Two of the sources, Oklahoma Gas and Electric (OG&E) - Sooner Generating Station and Western Farmers Electric Cooperative - Hugo Generating Station, were modeled under the federal consent decree entered in *Sierra Club, et al v. Regina McCarthy*, Case No. 15-15894 (9th Cir.). DEQ previously submitted said modeling data to EPA for these two facilities. Pursuant to the schedule for finalizing designations set forth in the consent decree, DEQ anticipates that EPA will make final designations for the counties in which these two sources are located by July 2, 2016.



Five (5) of the facilities on the list have undergone or will be undergoing changes that are expected to lower their SO₂ emissions in accordance with the DRR. They are as follows:

American Electric Power/Public Service of Oklahoma (AEP/PSO) - Northeastern Power Station

On March 2, 2015, the Northeastern Power Station announced for retirement coal fired unit 4, and retirement in place occurred by April 16, 2016. Unit 3 also underwent major modifications and the installation of additional control devices to minimize SO₂ in compliance with Regional Haze requirements (see 40 C.F.R. Part 52, Subpart LL). For designations purposes under the DRR, DEQ will characterize the air quality around the Northeastern Power Station through air quality modeling. Emissions from unit 4 will be excluded.

Oklahoma Gas and Electric (OG&E) - Muskogee Generating Station

OG&E submitted a construction permit to DEQ on May 27, 2016 to convert units 4 and 5 to natural gas by January 4, 2019. For designations purposes under the DRR, DEQ will characterize the air quality around the Muskogee Generating Station through ambient monitoring. In accordance with the monitoring Technical Assistance Document (TAD), DEQ has performed modeling to determine where to place the monitor. The selected location will require the movement of an existing monitor, which DEQ plans to have operational by January 1, 2017.

Georgia Pacific - Muskogee Mill

The Muskogee Mill is located near OG&E's Muskogee Generating Station. For designations purposes under the DRR, DEQ will characterize the air quality around the Muskogee Mill through ambient monitoring. DEQ is in the process of relocating an existing SO₂ monitor, which will be used to monitor the impacts of emissions from both facilities (as described in the paragraph above). In addition, Georgia Pacific submitted a construction permit application to DEQ on April 15, 2016, to replace coal boiler B2 with natural gas boiler B5. The replacement should be completed in summer 2017 and will lower the facility's SO₂ emissions.

Grand River Dam Authority - Chouteau Coal Fired Complex

The Grand River Dam Authority (GRDA) announced shutdown of a unit at the Chouteau Coal Fired Complex; therefore, the facility was not required to be addressed under the consent decree and instead will be addressed under the DRR. For designations purposes under the DRR, DEQ plans to characterize the air quality around the Chouteau Coal Fired Complex through ambient monitoring. In accordance with the monitoring TAD, DEQ has performed modeling to determine where to place a monitor and plans to have a monitor operational by January 1, 2017. Please note that GRDA recently contacted DEQ and is currently evaluating its ability to limit SO₂ emissions at the Chouteau Coal Fired Complex to less than 2,000 tons per year by January 13, 2017, through a federally enforceable emission limitation. As the most environmentally beneficial option, DEQ would

support GRDA in obtaining federally enforceable emission limitations rather than pursuing ambient monitoring if GRDA determines this option is feasible.

Holcim - Ada Plant Holcim was issued a construction permit for the Ada Plant on October 14, 2014 to convert their two (2) existing wet kiln lines to one (1) semi-wet, single-stage preheater/precalciner kiln line. This conversion is currently in progress. DEQ expects to issue a construction permit by January 1, 2017 that includes a federally enforceable SO₂ limit of less than 2,000 TPY for the facility. Therefore, the facility no longer would meet the criteria in the DRR and no modeling or monitoring for designation purposes is required thereunder.

There are no changes to identify for the remaining three (3) sources, (1) Oxbow Calcining – Kremlin, (2) Continental Carbon – Ponca City Plant, and (3) AES Shady Point – Cogeneration Plant, and DEQ has specified in Attachment 1 how the area surrounding the respective facilities will be characterized.

Modeling for air quality characterization will be and modeling for monitor placement has been performed in accordance with EPA's Technical Assistance Documents for SO₂ NAAQS Designations. See Attachment 2 for DEQ's air quality characterization modeling protocol. Site specific modeling files will be transmitted on January 13, 2017 as required by the DRR.

DEQ's FY17 Annual Network Review (ANR) was posted for a thirty day public review and comment on May 16, 2016. Placement of SO₂ monitors at (1) GRDA - Chouteau Coal Fired Complex, (2) OG&E - Muskogee Generating Station and Georgia Pacific –Muskogee Mill, and (3) Oxbow Calcining - Kremlin were included in the ANR (Attachment 3). These monitors will be considered State or Local Air Monitoring Systems (SLAMS). See Attachments 4, 5, and 6 for DEQ's monitor modeling reports, drafts of which were previously submitted to EPA Region 6. DEQ has addressed all comments on the monitor modeling reports that have been received to-date. It should be noted that if the planned monitoring sites cannot be established by January 1, 2017, DEQ will default to air quality modeling for the facilities to determine compliance with the 2010 SO₂ NAAQS.

If you desire additional information, or you have any questions concerning this matter, please contact Ms. Cheryl E. Bradley, Data and Planning Manager, at 405-702-4157.

Sincerely,



Eddie Terrill, Director of Air Quality Division
Oklahoma Department of Environmental Quality

cc: Michael Teague, Secretary of Energy and Environment
Scott Thompson, Executive Director, Department of Environmental Quality
Guy Donaldson, Chief, Air Planning Section, US EPA 6
Carrie Paige, Air Planning Section, US EPA 6
Dayana Medina, Air Planning Section, US EPA 6

Attachments

1. List of facilities subject to DRR
2. DEQ Modeling Protocol
3. Annual Network Review
4. Monitor Placement Report – Mayes County (GRDA)
5. Monitor Placement Report - Oxbow Calcining, LLC
6. Monitor Placement Report - Muskogee