

From: [Robinson, Jeffrey](#)
To: [Samuel Short](#); [Jesse Chacon](#); [Kim Strong](#)
Cc: [Kaleri, Cynthia](#); [Wilson, Aimee](#); [Ehrhart, Jonathan](#)
Subject: EPA Comments on Sandy Creek Power Station
Date: Friday, October 1, 2021 8:23:32 AM

Sam,

The Air Permits Section received the Sandy Creek minor revision to title V permit O3336 for their 45-day review beginning on August 17, 2021. They also received input from OAQPS on the revision to the title V permit. Per our discussion on September 23, 2021, please see the comments below regarding various concerns identified by my staff after review of the proposed permit.

EPA acknowledges the work Sandy Creek has already undertaken on this permitting action to resolve EPA's objections. EPA remains committed to working together with the Texas Commission on Environmental Quality to resolve the issues identified in our comments. Please contact Cynthia Kaleri at (214) 665-6772, or Aimee Wilson, of my staff at (214) 665-7596 if you have questions. Thank you for your attention to these issues and for your cooperation.

1. In responding to a Petition Order from the EPA Administrator, it would be helpful for TCEQ to include a written response to EPA with the proposed permit. In our directions to TCEQ we may request that TCEQ explain in the permit record the basis or rationale for any changes made or not made to the permit. For example, in the Sandy Creek Order on page 13 we state "...TCEQ should amend the Permit to identify such terms and explain in the permit record how these other requirements assure compliance with the requirements and emission limits for each PBR that applies to significant units." If TCEQ is declining to make changes as requested, it's possible we might agree with such a decision if it is supported with sufficient rationale. However, we can't make such a determination without reviewing a detailed response.
2. Incorporation of the PBR Supplemental Table into the title V permit via special condition

The proposed Sandy Creek permit O3336 now references the PBR Supplemental Table via Special Condition 8, which indicates the following:

Permit holder shall comply with the requirements of New Source Review authorizations issued or claimed by the permit holder for the permitted area, including permits, permits by rule (including the permits by rule identified in the PBR Supplemental Tables dated July 16, 2021 in the application for project 32522), [and other types of permits] . . . referenced in the New Source Review Authorization References attachment. These requirements:

A. Are incorporated by reference into this permit as applicable requirements

. . .

This level of specificity when referencing the location (project number) and date of the PBR Supplemental Table is sufficient for the EPA and public to locate the latest version of the table itself. However, in order to ensure that the terms identified in the PBR Supplemental Table are adequately incorporated into the title V Permit, we are requesting that Special Condition 8 include additional clarifying language. Special Condition 8 could be modified to read: “Permit holder shall comply with the requirements of New Source Review authorizations issued or claimed by the permit holder for the permitted area, including permits, permits by rule (including the terms, conditions, monitoring, recordkeeping, and reporting identified in registered PBR final actions and the PBR Supplemental Tables dated July 16, 2021 in the application for project 32522), [and other types of permits] . . . referenced in the New Source Review Authorization References attachment.” This additional language provides clarity in that not only do the requirements of the PBR (rule itself) apply but the modified/expanded monitoring terms in the PBR Supplemental Table also apply.

3. Incorporation of monitoring, recordkeeping, and reporting requirements from registered PBR’s into the title V permit / PBR Supplemental Table

In response to discussions regarding PBR programmatic changes and EPA’s order requesting that TCEQ incorporate monitoring, recordkeeping, and reporting that ensures compliance with the requirements of PBR’s that apply to non-insignificant emission units, TCEQ has developed the following PBR Supplemental Tables associated with the Sandy Creek Energy Station (SCES):

- Table A: List of registration numbers for registered PBRs for the Application Area
- Table B: List of claimed (not registered) PBRs for the Application Area
- Table C: List of claimed (not registered) PBRs for Insignificant Sources for the Application Area
- Table D: List of monitoring requirements for claimed (not registered) PBRs for the Application Area

However, with respect to registered PBRs that do not contain adequate underlying monitoring to demonstrate compliance, the proposed title V permit has not sufficiently incorporated the PBR-specific monitoring for units authorized under these PBRs. EPA believes that the most straightforward way to satisfy EPA’s objection is to request that Sandy Creek list the monitoring requirements for registered Permits by Rule directly within PBR Supplemental Table D. This approach would ensure that the monitoring terms for each unit authorized under a registered PBR are easily accessible and adequately incorporated into the title V permit. The *Sandy Creek Order* specifies that “TCEQ should include or identify the monitoring, recordkeeping, and reporting requirements from the application forms for registered PBRs (in addition to the claimed but not registered PBRs).” However, in response to our objection, TCEQ has not provided any reasoning or rationale as to why this method is not being utilized.

If TCEQ instead wishes to establish the monitoring requirements within the underlying PBR registration first, and then incorporate those terms into the title V permit, TCEQ should ensure that the underlying PBR registration is formally updated, and that those terms are clearly and unambiguously incorporated into the title V permit. To do this, TCEQ could issue a new final approval letter for the PBR registration that includes both the certified emission limits and monitoring requirements. Then, to adequately incorporate these requirements (by reference) into the title V permit, TCEQ could continue the practice of only listing the registration number within the title V permit's NSR Authorization References tables (and the PBR Supplemental Table). However, as PBR registrations are updated, TCEQ would need to update the registration date listed within PBR Supplemental Table A to ensure that the latest version of the registration is easily identifiable. This approach would not require additional title V permit terms (e.g., listing each monitoring requirement), since reference to the registration number points to the specific final approval document that includes the limits (and now monitoring).

For example, the final action and approval letter associated with Sandy Creek's effective PBR registration (97212) lists the certified emission limits and specifies that Sandy Creek has certified its emissions under 30 TAC §§ 106.144, 106.261, and 106.262. To resolve the lack of monitoring in the underlying PBR and PBR registration, Sandy Creek sent a letter to TCEQ on July 28, 2021 titled "Update to Permit by Rule Registration Number: 97212" to clarify their monitoring practices for several units authorized under this PBR registration. This letter included requirements directly from 30 TAC §106.261 and §106.262 stating that visible emissions, except uncombined water, to the atmosphere from any point or fugitive source shall not exceed 5% opacity in any six-minute period. However, the letter also supplemented these pre-existing requirements with monitoring by specifying an observation frequency and methodology to determine compliance with the 5% opacity requirement. As stated above, using this method to update registered PBR application representations could be appropriate if TCEQ would go one step further and issue a new final approval letter for the PBR registration that includes both the authorized emission limits and the updated monitoring requirements. Simply stopping the update process upon the receipt of a letter is not sufficient to update the PBR registration, or to incorporate the additional monitoring into the title V permit.

EPA acknowledges that there may be other methods to prescribe and incorporate monitoring for PBR registrations into the title V permit beyond what is listed above. However, to the extent TCEQ chooses such an alternative method to establish additional monitoring for registered PBRs, it is critical that TCEQ clearly and unambiguously incorporate such monitoring (i.e., the document containing such monitoring) into the title V permit.

4. Adequacy of monitoring for registered PBR's – Whenever opacity is used to determine compliance with a limit on PM emissions, TCEQ should identify the basis for such a determination. In addition, if a unit is subject to the general limits under 106.4 or other PBR-specific limits under the various 106.4 subchapters, there must be adequate monitoring and recordkeeping to show how

compliance with such a limitation is determined.

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For example, the only monitoring requirements specified in the 97212 update letter (and registration file) are related to the 106.261(a)(5) and 106.262(a)(6) requirements of no visible emissions in excess of 5% in any six-minute period. Does TCEQ intend for monthly visible emission monitoring to ensure compliance with all registered emission limits and requirements of 106.261, 106.262, and 106.144? If so, TCEQ should explain how monthly visible emission observations assures compliance with those other limits and requirements.

5. Clarification of PBR Authorizations – The tech review and supplemental table for PBR registration 97212 indicates that EPNs S72 and S73 (diesel storage tanks) are authorized under 106.473. However, the NSR Authorization References by Emission Unit Table within O3336 lists S72/S73 as subject to 106.472. Please verify which document lists the correct PBR authorization.

6. Lb/hr “limits” in PBR registrations – We would advise TCEQ against identifying any lb/hr figures in the technical review documents for PBRs as an emission limit unless they are truly an emission limit. If these lb/hr figures are used to determine applicability of a PBR, then we would advise TCEQ to refer to these as an emission threshold. However, if TCEQ does consider these to be emission limits, then monitoring sufficient to show compliance on an hourly basis would be needed for each pollutant.

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