



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

JUL 11 2019

OFFICE OF
AIR AND RADIATION

Mr. William T. Gilbert
Plant Manager
Spruance Operating Services, LLC
5001 Genco LLC
Richmond, VA 23234

Re: Petition for waiver of the requirement to provide operating data to qualify as "gas-fired" for units BLR3A, BLR3B, BLR4A, and BLR4B at Spruance Genco LLC (Facility ID (ORISPL) 54081).

Dear Mr. Gilbert:

The United States Environmental Protection Agency (EPA) has reviewed the petition submitted under 40 CFR 75.66 on February 18, 2019 by Veolia North America (Veolia). In the petition, Veolia requests a waiver for units BLR3A, BLR3B, BLR4A, and BLR4B at the Spruance Genco LLC generating station (Spruance) of the requirement to submit operating data to qualify as "gas-fired" units under § 72.2. EPA approves the petition, with conditions, as discussed below.

Background

Veolia North America owns and operates units BLR3A, BLR3B, BLR4A, and BLR4B at Spruance, located in Richmond, Virginia. Units BLR3A, BLR3B, BLR4A, and BLR4B, which have historically operated as coal-fired boilers, operate as sets of two, each set using a common stack and serving an electricity generator with a nameplate capacity rating of 57.375 megawatts. According to Veolia, units BLR3A, BLR3B, BLR4A, and BLR4B are subject to the Acid Rain Program (ARP) and Cross-State Air Pollution Rule (CSAPR) trading programs for sulfur dioxide (SO₂) and annual and ozone season nitrogen oxides (NO_x). Spruance is therefore required to continuously monitor and report NO_x, SO₂, and carbon dioxide (CO₂) mass emissions; NO_x emission rate; and heat input for this unit in accordance with 40 CFR part 75. To meet these monitoring requirements, Spruance has installed and certified a NO_x-diluent continuous emission monitoring system (CEMS), an SO₂ CEMS, a CO₂ CEMS, and a stack gas flow rate monitor on common stack CS003 (for BLR3A and BLR3B) and common stack CS004 (for BLR4A and BLR4B).

According to Veolia, Spruance units BLR3A, BLR3B, BLR4A, and BLR4B are being permanently converted from coal-firing to natural gas-firing and are prohibited from burning coal by the amendment to the

federally enforceable Prevention of Significant Deterioration (PSD) permit issued July 12, 2018. The PSD permit restricts the approved fuel for units BLR3A, BLR3B, BLR4A, and BLR4B to natural gas as of the date of issuance of the amendment. A more recent amendment to the PSD permit issued March 15, 2019 retains the restriction against combustion of fuels other than natural gas.

Under part 75, units that meet the definition of “gas-fired” units in § 72.2 have monitoring options that are not available to coal-fired units, including the option to quantify the units’ SO₂ mass emissions and heat input rate using the methodology in appendix D to part 75 that relies on measurements of the quantity and quality of fuel combusted as an alternative to using SO₂ and stack gas flow rate CEMS. Gas-fired units also have options for quantifying CO₂ mass emissions under appendix G to part 75 that are not available to coal-fired units.

In the August 7, 2018 petition, Veolia has requested a waiver of an otherwise applicable condition for Spruance boilers BLR3A, BLR3B, BLR4A, and BLR4B to be considered gas-fired units for purposes of part 75. The definition of the term “gas-fired” in § 72.2 includes provisions under which a unit that previously has not qualified as gas-fired can qualify as gas-fired based upon the submission of operating data for three calendar years or 720 operating hours, whichever is less, demonstrating that the unit has combusted natural gas for specified minimum percentages of its overall fuel usage and only fuel oil for its remaining fuel usage. Veolia requests that units BLR3A, BLR3B, BLR4A, and BLR4B be considered gas-fired units for purposes of part 75 without the submission of such operating data.

EPA’s Determination

Absent the waiver requested in Veolia’s petition, Veolia would be required to submit three calendar years or 720 operating hours of operating data for units BLR3A, BLR3B, BLR4A, and BLR4B following the conversion to gas-fired operation to demonstrate that the units qualify as gas-fired under § 72.2. The purpose of this data submission requirement is to provide assurance that the conversion is permanent. As described above, Veolia has provided information intended to demonstrate the permanence of the conversion. Specifically, the units are completing physical modifications that render them incapable of combusting coal and a permit amendment prohibits the units from combusting fuels other than natural gas as of July 12, 2018, the date of issuance of the amended federally enforceable PSD permit issued by the Virginia Department of Environmental Quality. EPA views these factors as providing sufficient assurance that the conversion from coal to gas combustion of units BLR3A, BLR3B, BLR4A, and BLR4B is permanent, fulfilling the purpose of the operating data submission requirement and making that requirement unnecessary in this instance.

In view of these considerations, EPA approves Veolia’s petition for a waiver of the requirement to submit three calendar years or 720 hours of unit operating data to demonstrate that Spruance units BLR3A, BLR3B, BLR4A, and BLR4B meet the definition of “gas-fired” under § 72.2. Units BLR3A, BLR3B, BLR4A, and BLR4B are considered gas-fired for purposes of 40 CFR part 75, the Acid Rain Program, and the Cross-State Air Pollution Rule as of the date of issuance of the permit amendment summarized above. EPA notes that this approval by itself does not alter any requirement to continue to use a CEMS that may arise under legal authority other than 40 CFR part 75, such as the facility’s Title V operating permit, a state regulation, or a consent decree.

Conditions of Approval

As conditions of this approval for Spruance units BLR3A, BLR3B, BLR4A, and BLR4B to be considered gas-fired units for purposes of 40 CFR part 75, the Acid Rain Program, and the Cross-State Air Pollution Rule without the submission of operating data that would otherwise be required, Veolia shall:

1. Make all necessary revisions to the electronic monitoring plans for Spruance units BLR3A, BLR3B, BLR4A, and BLR4B to represent the change from coal combustion to natural gas combustion and any changes in monitoring methodology. The monitoring plan revisions may include, but are not limited to, assigning appropriate closeout dates; activation dates; and codes for monitoring systems, monitoring methodologies, emissions and heat input rate formulas, and monitoring system span and range values;
2. If Veolia elects to use the monitoring methodology under appendix D to part 75, ensure that the natural gas flowmeters are certified according to section 2.1.5 of appendix D to part 75; and
3. If Veolia elects to use the monitoring methodology under appendix D to part 75, ensure that the data acquisition and handling systems are properly programmed to use the appendix D methodology for quantifying SO₂ mass emissions and heat input rate and Equation G-4 for quantifying CO₂ mass emissions.

EPA's determination relies on the accuracy and completeness of Veolia's February 18, 2019 petition and is appealable under 40 CFR part 78. If you have any questions regarding this determination, please contact Charles Frushour at (202) 343-9847. Thank you for your continued cooperation.

Sincerely,



Reid P. Harvey, Director
Clean Air Markets Division

cc: Charles Frushour (CAMD)
Paul Arnold, EPA Region 3
Sherry Tostenson, Virginia DEQ