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**TITLE V BASIS STATEMENT FOR
AIR OPERATING PERMIT – EFSEC/06-01-AOP Rev. 1**

Issued To

CHEHALIS POWER GENERATING, LP

For The

CHEHALIS GENERATION FACILITY

Effective: October 10, 2011

PERMIT #:	EFSEC/06-01-AOP Rev. 1
PREPARED FOR:	Chehalis Power Generating, LP 1813 Bishop Road Chehalis, WA 98532
PLANT SITE:	Chehalis Generation Facility 1813 Bishop Road Chehalis, WA 98532
PERMIT ENGINEER:	Clint H. Lamoreaux – SWCAA Air Quality Engineer
REVIEWED BY:	Jim LaSpina – EFSEC Energy Facility Site Specialist

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I. GENERAL INFORMATION AND CERTIFICATION

1. Company Name: PacifiCorp Energy
2. Facility Name: Chehalis Generation Facility
3. Responsible Official: Mr. Dana M. Ralston – V.P., Generation
4. Inspection Contact Person: Mr. Mark Miller – Gas Plant Manager
5. Unified Business Identification Number: 601-571-608
6. Standard Industrial Classification (SIC) Code: 4911

7. Basis for Title V Applicability:

The Chehalis Generation Facility has the potential to emit more than 100 tons per year of sulfur dioxide, nitrogen oxides, particulate matter less than 10 microns, and carbon monoxide, all of which are criteria air pollutants listed under the Federal Clean Air Act. This facility has the potential to emit more than 100,000 tons per year of CO₂e. A facility with the potential to emit at or above these thresholds is subject to the Title V Air Operating Permit Program. In addition, this facility is required to obtain a Title V Air Operating Permit because it is an affected source under Title IV (Acid Deposition Control) of the federal Clean Air Act.

Facilitywide Potential To Emit Summary

Pollutant	Emissions (tons per year)
Nitrogen oxides	242
Carbon monoxide	487
Volatile organic compounds	59
Sulfur dioxide	170
Particulate Matter	225
PM ₁₀	225
PM _{2.5}	225
Combined HAPs	2.0
Individual HAP	2.0 (formaldehyde)
CO ₂ equivalent	1,926,800

8. Current Permitting Action:

This Title V Air Operating Permit is being issued in response to a Title V renewal application submitted by PacifiCorp Energy in accordance with the deadline contained in Air Operating Permit EFSEC/06-01-AOP. The Air Operating Permit issued in response to PacifiCorp's renewal application will be updated as appropriate and will include new permit terms related to NOC Permit EFSEC/2009-01 issued on September 4, 2009 for the new Auxiliary Boiler. In addition, EFSEC has utilized this opportunity to update regulatory citations, make administrative updates and improve the permit format in accordance with suggestions made by EPA Region 10 staff.

9. Attainment Area:

The Chehalis Generation Facility is located in an area that is in attainment status for all criteria pollutants.

10. Facility Description:

The Chehalis Generation Facility began commercial operation (for the purposes of Title IV) in June 2003. Power is generated by two GE model 7FAe+ combustion turbines operated in combined cycle mode with a single steam turbine. The facility has a nominal generating capacity of 520 MW. An air-cooled condenser system is used in lieu of a wet cooling tower system to minimize water consumption. A 16.9 MMBtu/hr Auxiliary Boiler was commissioned in 2010 to provide steam to the facility to reduce the duration of startup events. No duct burners, emergency generators, or emergency fire pumps have been installed at this facility.

11. Permitting Authority:

The Washington Energy Facility Site Evaluation Council (EFSEC) is the permitting authority for the Chehalis Generation Facility. EFSEC implements its Air Operating Permit program through Washington Administrative Code (WAC) 463-78. WAC 463-78 adopts the operating permits regulations of WAC 173-401 by reference.

11. Approvals and Regulatory Orders:

The following table lists each Notice of Construction approval and Regulatory Order issued for this facility. Permits or Regulatory Orders in bold contain no active requirements. The requirements may have been superseded or may have been of limited duration.

<u>Number</u>	<u>Date Issued</u>	<u>Description</u>
EFSEC/95-02	6-18-97	Initial approval for construction and operation of the Chehalis Generation Facility. Approved installation of two 230 MW combined cycle combustion turbines and single auxiliary boiler.
EFSEC/95-02 Extension 1	11-16-08	Approved an 18 month extension of the PSD approval to begin actual construction.
EPA Administrative Order on Consent No. CAA-10-2001-0095	3-22-01	Allowed Chehalis Power to begin actual construction prior to receiving PSD permit. Required Chehalis Power to request a PSD permit revision requiring the installation of SCR to control NO _x to 3.0 ppmvd @ 3% O ₂ when firing natural gas, and 14 ppmvd @ 3% O ₂ when firing oil.
EFSEC/95-02 Amendment 1	4-17-01	Approved a revision of the NO _x limits to 3.0 ppmvd @ 3% O ₂ when firing natural gas, and 14 ppmvd @ 3% O ₂ when firing oil.

<u>Number</u>	<u>Date Issued</u>	<u>Description</u>
EFSEC/95-02 Amendment 2	7-17-06	Modified opacity monitoring requirements when firing natural gas, modified startup provisions for cold startups, removed references to auxiliary boilers (were not constructed, approval had expired).
EFSEC/2009-01	9-4-09	Approval of a natural gas startup boiler with a capacity of up to 30 MMBtu/hr.

II. EMISSIONS UNIT DESCRIPTIONS

EU-1 Combustion Turbine #1 (CT1)

CT1 consists of one General Electric model 7FAe+ gas turbine (serial number 298136) and an unfired heat recovery steam generator (HRSG). The turbine drives a 60-hertz, 18-kilovolt generator (serial number 338X439). The gas turbine is designed to produce approximately 175 MW of electrical power and the steam turbine is designed to produce approximately 170 MW of electrical power (using steam from both HRSGs). The gas turbine operates primarily on natural gas, however, in the case of a natural gas curtailment, the turbine can operate on low sulfur distillate oil. When firing natural gas, the turbine has a heat input capacity of 2,067 MMBtu/hr at peak load and an estimated annual average heat input capacity of 1,782 MMBtu/hr (51 °F, 60% relative humidity). When firing fuel oil, the turbine has a heat input capacity of 2,067 MMBtu/hr at peak load and an estimated annual average heat input capacity of 1,930 MMBtu/hr (51 °F, 60% relative humidity). An inlet air fogging system was added to this unit in 2005.

Emissions from the combustion turbine consist primarily of NO_x, CO, SO₂, PM, and VOC. A selective catalytic reduction (SCR) system, using ~19% aqueous ammonia as a reducing reagent, controls emissions of nitrogen oxides (NO_x) and causes emissions of ammonia (NH₃). An oxidation catalyst controls carbon monoxide (CO) emissions. Emissions of particulate matter and volatile organic compound emissions are minimized by the use of fuels with low ash contents and optimization of combustion parameters to provide for complete combustion. Combustion gases from the combustion turbine are discharged to the atmosphere through a stack measuring approximately 19 feet in diameter by 150 feet tall.

CT1 was first fired on May 25, 2003. CT1 commenced commercial operation on June 13, 2003.

CT1 is subject to the 40 CFR 60 Subpart GG "Standards of Performance for Stationary Gas Turbines" because its heat input capacity at peak load exceeds 10 MMBtu/hr and it was constructed after the applicability date of October 3, 1977. The turbine has not undergone reconstruction or modification that would trigger the applicability of 40 CFR 60 Subpart KKKK "Standards of Performance for Stationary Combustion Turbines".

EU-2 Combustion Turbine #2 (CT2)

CT2 consists of one General Electric model 7FAe+ gas turbine (serial number 298137) and an unfired heat recovery steam generator (HRSG). The turbine drives a 60-hertz, 18-kilovolt generator

(serial number 338X440). The gas turbine is designed to produce approximately 175 MW of electrical power and the steam turbine is designed to produce approximately 170 MW of electrical power (using steam from both HRSGs). The gas turbine operates primarily on natural gas, however, in the case of a natural gas curtailment, the turbine can operate on low sulfur distillate oil. When firing natural gas, the turbine has a heat input capacity of 2,067 MMBtu/hr at peak load and an estimated annual average heat input capacity of 1,782 MMBtu/hr (51 °F, 60% relative humidity). When firing fuel oil, the turbine has a heat input capacity of 2,067 MMBtu/hr at peak load and an estimated annual average heat input capacity of 1,930 MMBtu/hr (51 °F, 60% relative humidity). An inlet air fogging system was added to this unit in 2005.

Emissions from the combustion turbine consist primarily of NO_x, CO, SO₂, PM, and VOC. A selective catalytic reduction (SCR) system, using ~19% aqueous ammonia as a reducing reagent, controls emissions of nitrogen oxides (NO_x) and causes emissions of ammonia (NH₃). An oxidation catalyst controls carbon monoxide (CO) emissions. Emissions of particulate matter and volatile organic compound emissions are minimized by the use of fuels with low ash contents and optimization of combustion parameters to provide for complete combustion. Combustion gases from the combustion turbine are discharged to the atmosphere through a stack measuring approximately 19 feet in diameter by 150 feet tall.

CT2 was first fired on May 31, 2003. CT2 commenced commercial operation on June 5, 2003.

CT1 is subject to the 40 CFR 60 Subpart GG "Standards of Performance for Stationary Gas Turbines" because its heat input capacity at peak load exceeds 10 MMBtu/hr and it was constructed after the applicability date of October 3, 1977. The turbine has not undergone reconstruction or modification that would trigger the applicability of 40 CFR 60 Subpart KKKK "Standards of Performance for Stationary Combustion Turbines".

EU-3 Auxiliary Boiler

Installation of the Auxiliary Boiler was required by Council Order #836 authorizing the transfer of the Chehalis Generation Facility Site Certification Agreement to PacifiCorp. On September 15, 2008 EFSEC received notice that the Chehalis Generation Facility had been merged into PacifiCorp. The Auxiliary Boiler is used to provide steam to the gas turbine generators' support equipment and to reduce the required duration of gas turbine startup events.

The Auxiliary Boiler is a natural gas fired CB NAT-COM package boiler utilizing a low-NO_x model P-17-G-14-0911 burner set. The boiler was built, installed, and commissioned in 2010. The following equipment details were available:

Location:	South of main building, between main building and the air cooled condensers
Startup Date:	December 8, 2010
Make:	Cleaver Brooks – NATCOM
Fuel:	Natural gas
Heat Input Capacity:	16.9 MMBtu/hr
Burners:	Model P-17-G-14-091 designed to provide ≤ 9 ppmvd NO _x @ 3% O ₂ utilizing external flue gas recirculation.

Stack Description: Exhausts vertically through stack measuring 30" diameter, 88' above grade, 28.1 ft/s, 200 °F. The tallest adjacent structure is 76.75' above grade.

The Auxiliary Boiler is subject to the 40 CFR 60 Subpart Dc "Standards of Performance for Small Industrial-Commercial-Institutional Steam Generating Units" because its heat input capacity is less than 100 MMBtu/hr and equal to or greater than 10 MMBtu/hr and it was constructed after the applicability date of June 9, 1989.

III. EXPLANATION OF INSIGNIFICANT EMISSIONS UNIT DETERMINATIONS

The following equipment was identified by the permittee as insignificant. Each emission unit listed as insignificant in the permit has been reviewed by EFSEC to confirm its status. None of the listed equipment is a significant source of emissions or is subject to any equipment specific air quality requirements.

Equipment Description	Size or Capacity	Justification
Fuel Oil (#2 diesel) piping fugitive emissions	Not applicable	WAC 173-401-530(1)(d) – only fugitive emissions
Fuel Oil Storage Tanks (two tanks)	1,700,000 gallons each	WAC 173-401-530(1)(c) – actual vapor pressure less than 5 mm Hg @ 21°C (category listed in WAC 173-533(2)(t)).
Natural Gas Piping	not applicable	WAC 173-401-530(1)(d) – only fugitive emissions
Inlet Gas Drain Tank	250 gallons	WAC 173-401-530(1)(a) – below emissions thresholds
19% Aqueous Ammonia Storage Tanks	32,000 gallons	WAC 173-401-530(1)(a) – below emissions thresholds
Oil/Water Separator	<500 gallons	WAC 173-401-530(1)(b) – actual vapor pressure less than 550 mm Hg @ 21°C, tank less than 1,100 gallons (category listed in WAC 173-533(2)(b)).
Waste Oil Tank (as separator)	150 gallons	WAC 173-401-530(1)(b) – actual vapor pressure less than 550 mm Hg @ 21 °C, tank less than 1,100 gallons (category listed in WAC 173-533(2)(b)).
Waste Fuel Drain Tanks (2)	500 gallons each	WAC 173-401-530(1)(b) – actual vapor pressure less than 550 mm Hg @ 21°C, tank less than 1,100 gallons (category listed in WAC 173-533(2)(b)).
Miscellaneous Wastewater Collection Sumps	1,000 – 2,500 gallons each	WAC 173-401-530(1)(b) – categorically exempt equipment listed in WAC 173-401-532(120)
Sanitary Waste Storage Area	3,100 gallons	WAC 173-401-530(1)(b) – categorically exempt as per WAC 173-401-532(6)
Lubricating oil storage tanks	Not applicable	WAC 173-401-530(1)(b) – categorically exempt as per WAC 173-401-532(3)

Equipment Description	Size or Capacity	Justification
Pressurized storage tanks containing oxygen, nitrogen, carbon dioxide or inert gases	Not applicable	WAC 173-401-530(1)(b) – categorically exempt as per WAC 173-401-532(5)
Vents from continuous emissions monitors and analyzers	Not applicable	WAC 173-401-530(1)(b) – categorically exempt as per WAC 173-401-532(8)

IV. EXPLANATION OF SELECTED TERMS AND CONDITIONS

Req. 1-7 General Standards for Maximum Emissions

[WAC 173-400-040]

WAC 173-400-040 establishes maximum emission standards for various air contaminants. These requirements are general statewide standards, and apply to all sources of air contaminants. Therefore, these requirements apply to all emission units at the source, both EU and IEU. Pursuant to WAC 173-401-530(2)(c), the permit does not contain any testing, monitoring, recordkeeping, or reporting requirements for IEUs except those specifically identified by the underlying requirements.

Req-6 prohibits any concealment or masking. At present, the permittee does not operate any equipment capable of masking emissions, therefore monitoring is limited to the annual compliance certification.

Req. 8 Emission Standards for General Process Units

[WAC 173-400-060]

WAC 173-400-060 establishes maximum particulate matter emission standards for general process units. These requirements apply to any general process units at the source, including IEUs. The definition of a "general process unit" excludes combustion units; therefore this requirement does not apply to the exhaust stacks of EU-1, EU-2, or EU-3. Pursuant to WAC 173-401-530(2)(c), the permit does not contain any testing, monitoring, recordkeeping, or reporting requirements for IEUs except those specifically identified by the requirements as applying to IEUs.

At the current time, no general process units have been identified at this facility with the potential to emit particulate matter. This requirement was included in the permit to apply to operations not currently identified or not yet installed at the facility.

Req. 11 – Fuel Firing Restrictions

EFSEC/95-02 Amendment 2, Conditions 1.1 & 1.2

Conditions 1.1 and 1.2 of EFSEC/95-02 Amendment 2 requires that the combustion turbines be fired on natural gas except when natural gas is not available and during limited test periods. "On-road specification diesel fuel" may be burned during these periods.

"On-road specification diesel fuel" refers to the on-road specifications from 40 CFR 80.29 as amended through July 1, 1992.

Hours of operation on oil for test periods and startup count towards the 720 hour limit of operation on oil.

Req. 12 – NO_x Emission Limits

40 CFR 60.332(a)(1)

WAC 463-78-115

EFSEC/95-02 Amendment 2, Conditions 2.1, 2.2, 2.3, & 24

Conditions 2.1, 2.2, and 2.3 of EFSEC/95-02 Amendment 2 provide NO_x emission limits during both natural gas and oil firing. In accordance with Condition 24 of EFSEC/95-02 Amendment 2, these limits apply on a CEM clock hour or calendar day basis when the CEMS is being used to measure emissions. For days when a turbine is fired on both natural gas and oil, a time-weighted average of the gas and oil firing emission limits applies. The last sentence in this requirement states that the oil-firing limit applies for any hour in which oil is fired. It is not practical to split up emission limits into fractions of an hour according to which fuel is being burned, therefore it was determined that the emission limit would need to apply to any hour in which fuel oil is burned.

40 CFR 60.332(a)(1) provides a parallel NO_x emission limit for combustion turbines, however this limit is far less restrictive than the limits provided by Conditions 2.1 and 2.2 of EFSEC/95-02 Amendment 2. Compliance with the emission limits of Conditions 2.1 and 2.2 will assure compliance with the NO_x emission limit in 40 CFR 60.332(a)(1), therefore only the limits from Conditions 2.1 and 2.2 were listed. 40 CFR 60.332(a)(1) provides for a limit of at least 75 ppmvd @ 15% O₂ (the limit can increase based on the magnitude of any fuel-bound nitrogen allowance and the manufacturer's rated heat rate at manufacturer's rated load).

Req. 13 – CO Emission Limits

EFSEC/95-02 Amendment 2, Conditions 3.1, 3.2, & 24

Conditions 3.1 and 3.2 of EFSEC/95-02 Amendment 2 provide CO emission limits during both natural gas and oil firing. In accordance with Condition 24 of EFSEC/95-02 Amendment 2, these limits apply on a CEM clock hour or calendar day basis when the CEMS is being used to measure emissions. The last sentence in this requirement states that the oil-firing limit applies for any hour in which oil is fired. It is not practical to split up emission limits into fractions of an hour according to which fuel is being burned, therefore it was determined that the emission limit would need to apply to any hour in which fuel oil is burned.

Req. 14 – SO₂ Emission Limits

EFSEC/95-02 Amendment 2, Conditions 4.1 & 4.2

Conditions 4.1 and 4.2 of EFSEC/95-02 Amendment 2 provide SO₂ emission limits during both natural gas and oil firing. The last sentence in this requirement states that the oil-firing limit applies for any hour in which oil is fired. It is not practical to split up emission limits into fractions of an hour according to which fuel is being burned, therefore it was determined that the emission limit would need to apply to any hour in which fuel oil is burned.

Req. 15 – VOC Emission Limits

EFSEC/95-02 Amendment 2, Conditions 5.1 & 5.2

Conditions 5.1 and 5.2 of EFSEC/95-02 Amendment 2 provide VOC emission limits during both natural gas and oil firing. Because the term "volatile organic compounds" (VOCs) describes a large class of compounds, a standard compound (in this case propane) must be used in order to compare emission limits and source test results using EPA Method 25A. If the relative concentrations of each volatile organic species is known, the actual emission rate of each species and the total emission rate of VOCs can be determined. VOC speciation data is not required.

For days when a turbine is fired on both natural gas and oil, a time-weighted average of the gas and oil firing emission limits applies. The last sentence in this requirement states that the oil-firing limit applies for any hour in which oil is fired. It is not practical to split up emission limits into fractions of an hour according to which fuel is being burned, therefore it was determined that the emission limit would need to apply to any hour in which fuel oil is burned.

Req. 16 – PM₁₀ Emission Limits

EFSEC/95-02 Amendment 2, Conditions 6.1 & 6.2

Conditions 6.1 and 6.2 of EFSEC/95-02 Amendment 2 provide PM₁₀ emission limits during both natural gas and oil firing. EPA Method 5 was listed as a reference test method because it is presumed that all particulate matter generated from this source will have an aerodynamic diameter of 10 µm or less. EPA Method 201A would be considered a superior test method for the determination of PM₁₀, but was not listed due to inherent method limitations and the fact that all particulate matter is expected to be PM₁₀. This permit limit is based solely on the filterable component of PM₁₀ and does not require consideration or testing of the condensable fraction of PM₁₀.

For days when a turbine is fired on both natural gas and oil, a time-weighted average of the gas and oil firing emission limits applies.

Req. 17 – Sulfuric Acid Emission Limit

EFSEC/95-02 Amendment 2, Conditions 7.1 & 7.2

Conditions 7.1 and 7.2 of EFSEC/95-02 Amendment 2 limits sulfuric acid emissions from EU-1 and EU-2. Because of the interference caused by ammonia in the exhaust gas, EPA Method 8 cannot be used without modification to measure sulfuric acid emissions.

The last sentence in this requirement states that the oil-firing limit applies for any hour in which oil is fired. It is not practical to split up emission limits into fractions of an hour according to which fuel is being burned, therefore it was determined that the emission limit would need to apply to any hour in which fuel oil is burned.

Req. 18 – Opacity Limit

EFSEC/95-02 Amendment 2, Condition 8

Condition 8 of EFSEC/95-02 Amendment 2 limit opacity from the HRSG exhaust stacks to 10 percent or less on a 6-minute average. EPA Method 9 or an equivalent method must be used daily to confirm compliance. When no visible emissions are present, EPA Method 22 is an equivalent method. Both EPA Method 9 (which requires a certified observer) and EPA Method

22 can be used to determine the presence or absence of visible emissions. The presence of visible emissions is highly unlikely at this facility, except during periods of extreme upset conditions.

Req. 19 – Ammonia Emission Limits

EFSEC/95-02 Amendment 2, Conditions 9.1, 9.2, 9.3, & 9.4

Conditions 9.1, 9.2, 9.3, and 9.4 of EFSEC/95-02 Amendment 2 limits ammonia emissions from EU-1 and EU-2. For days when a turbine is fired on both natural gas and oil, a time-weighted average of the gas and oil firing emission limits applies.

Req. 20, 21 – Startup and Shutdown Provisions

EFSEC/95-02 Amendment 2, Conditions 10.1, 10.2, 10.3, 10.4, 10.5, 10.6, & 10.7

Conditions 10.2, 10.3, 10.6, and 10.7 of EFSEC/95-02 Amendment 2 provide for special provisions regarding the duration and number of combustion turbine startup and shutdown events because during startup and shutdown the combustion turbines cannot meet all the emission limits that apply during normal operation. Alternative CO and NO_x emission limits are provided by Conditions 10.4 and 10.5 of EFSEC/95-01 Amendment 2. These alternative limits only apply during the startup and shutdown periods defined in Condition 10.6 of EFSEC/95-01 Amendment 2.

The number of startups per 24-hour period and per year were not limited to assure compliance with ambient air impact limitations. The limits on the number of startups apply to normal startups. Startups resulting from upset conditions (e.g. after emergency shutdowns or unit trips) do not count towards the limitations provided in Conditions 10.2 and 10.3. After a unit trip, the unit can often return to service quickly; to require an extended period of time to elapse before allowing it to return to service (e.g. to get outside of a 24-hour period with two startups) could result in a longer cooling period and a longer startup resulting in greater overall emissions.

Req. 23 – Source Emission Sampling Access

40 CFR 60.8(e)

WAC 463-78-115

EFSEC/95-02 Amendment 2, Condition 13

40 CFR 60.8(e) requires the owner or operator of an NSPS applicable unit to provide safe access to adequate test ports, and the utilities necessary to conduct applicable sampling required of NSPS applicable units. Both turbines are subject to 40 CFR 60 Subpart GG, and therefore such access is required for the performance of EPA Method 20. Condition 13 of EFSEC/95-02 Amendment 2 requires safe access to test ports, but does not mention providing testing utilities. The sentence in Req. 23 concerning utilities is solely from 40 CFR 60.8(e).

Req. 24 – Operating and Maintenance Manuals

EFSEC/95-02 Amendment 2, Condition 19

Condition 19 of EFSEC/95-02 Amendment 2 requires the permittee to maintain operation and maintenance manuals for equipment at the facility that can affect emissions. Operations and maintenance manuals may be used to investigate excess emissions events and determine if such

events were avoidable. Reasonable inquiry conducted for the annual compliance certification is adequate to assure that these manuals are maintained at the facility.

Req. 26 – Auxiliary Boiler Emission Limits

EFSEC/2009-01, Condition 1

Condition 1 of EFSEC/2009-01 establishes concentration emission limits for NO_x and CO and mass emission limits for PM₁₀ and PM_{2.5}. The emission limits are based on reference method testing that is conducted utilizing 1-hour test runs, therefore the Title V permit clarifies that these emission limits apply on one-hour averages.

The PM₁₀ and PM_{2.5} mass emission rate limits are based on total PM emissions (filterable and condensable utilizing EPA Methods 201A and 202). Because natural gas combustion is expected to only produce fine particulate matter, EPA Method 5 can be used in place of EPA Method 201A to measure filterable particulate matter if all PM measured using EPA Method 5 is assumed to be PM_{2.5}. PM₁₀ and PM_{2.5} mass emission rate limits are based on a 30 MMBtu/hr boiler, however only a 16.9 MMBtu/hr boiler was installed, therefore compliance with these limits will presumably be by a large margin.

Req. 27 – Auxiliary Boiler Visual Emissions Limit

EFSEC/2009-01, Condition 2

Condition 2 of EFSEC/2009-01 establishes a zero percent opacity limit (not to be exceeded for more than 3 minutes in any one hour period). EPA Method 9 is cited as the monitoring method; however Ecology Method 9A is the method that must be used for the data reduction to determine compliance with this limitation. The data reduction utilized by EPA Method 9 is utilized for determining average opacity. The data reduction of Ecology Method 9A is used to determine compliance with three minute standards such as Condition 2.

V. EXPLANATION OF OBSOLETE AND FUTURE REQUIREMENTS

1. Obsolete Air Emission Permits/Orders

EFSEC/95-02 was issued on June 18, 1997 for construction and operation of the Chehalis Generation Facility. EFSEC/95-02 approved installation of two 230 MW combined cycle combustion turbines and a single auxiliary boiler. The turbines would primarily fire natural gas, but could fire fuel oil when natural gas was not available. SCR was not required.

EFSEC/95-02 Extension 1 was issued on November 16, 1998. EFSEC/95-02 Extension 1 approved an 18 month extension of the PSD approval to begin actual construction of the Chehalis Generation Facility.

EPA Administrative Order On Consent No. CAA-10-2001-0095 was issued March 22, 2001. The Consent Order required Chehalis Power to request a PSD permit revision requiring the installation of SCR to control NO_x emissions to 3.0 ppmvd @ 3% O₂ while firing natural gas and 14 ppmvd @ 3% O₂ when firing fuel oil. The Consent Order also allowed Chehalis Power to begin actual construction of the facility prior to receiving the

revised PSD permit. The Consent Order terminated with issuance of PSD permit EFSEC/95-02 Amendment 1.

EFSEC/95-02 Amendment 1 was issued on April 17, 2001. EFSEC/95-02 Amendment 1 approved a revision of the NO_x emission limit to 3.0 ppmvd @ 3% O₂ while firing natural gas and 14 ppmvd @ 3% O₂ when firing fuel oil.

EFSEC/95-02 Amendment 2 was issued July 17, 2006. EFSEC/95-02 Amendment 2 modified opacity monitoring requirements when firing natural gas, modified the exempted startup time applicable to cold startups and removed references to the previously approved auxiliary boilers (the boilers were never constructed and approval to construct the boilers had expired).

2. Future Requirements

No future requirements are anticipated.

3. 40 CFR 60.7 "Notification and Record Keeping"

The combustion turbines are subject to 40 CFR 60.330 et seq. (Subpart GG) "Standards of Performance for Stationary Gas Turbines." Therefore, these units are also subject to the notification requirements of 40 CFR, Section 60.7. These requirements have been met as described below.

Combustion Turbine

Notification of construction: Submitted to EFSEC via letter dated October 25, 2001
 Notification of anticipated startup: Submitted to EFSEC via letter dated March 13, 2003
 Notification of actual startup: Submitted to EFSEC via letter dated June 17, 2003

4. 40 CFR 60.8 "Performance Tests"

The combustion turbines are subject to the NO_x standard described in 40 CFR 60.332. Therefore the unit is also subject to the performance testing requirements of 40 CFR 60.8. These requirements have been met as described below.

Notification of source test dates: Submitted to EFSEC on July 29, 2003
 Initial source test: Performed on August 20-21, 2003 (CT1)
 Performed on August 23-24, 2003 (CT2)
 Source test report: Initial Report Dated November 25, 2003
 Revised Report Dated April 22, 2004

5. 40 CFR 75.61 "Notifications"

The combustion turbine is subject to the requirements of 40 CFR 75.61 "Notifications." These requirements have been met as described below.

Notification of actual startup date: Submitted to EFSEC on June 17, 2003
 Notification of initial CEMS certification: Submitted to EFSEC on July 29, 2003

These requirements do not directly establish any specific regime of fugitive emissions monitoring or recordkeeping. Consequently, EFSEC has implemented monitoring and recordkeeping requirements under the "gap filling" provisions of WAC 173-401-615. Because there is not much opportunity for the generation of fugitive emissions at this facility, and most fugitive emissions would be readily noticeable by plant personnel or indicated by a complaint (especially in the event of excessive road dust), monthly monitoring was believed to provide a reasonable assurance of compliance.

M2 is designed to assure compliance through a combination of periodic facility inspections and prompt corrective action whenever necessary.

M3. Complaint Monitoring

This monitoring requirement is used to provide a reasonable assurance of compliance with the applicable requirements drawn from WAC 173-400 and EFSEC/95-02 Amendment 2. These requirements do not directly establish any specific regime of complaint monitoring or recordkeeping. Consequently, EFSEC has implemented monitoring and recordkeeping requirements under the "gap filling" provisions of WAC 173-401-615. M3 is designed to assure compliance through prompt complaint response and corrective action whenever necessary.

M4. Performance Testing

This monitoring requirement is used to provide a reasonable assurance of compliance with the emission limits identified in EFSEC/95-02 Amendment 2. Initial source testing for 40 CFR 60 Subpart GG, and all initial testing required by EFSEC/95-02 Amendment 2 was completed in August 2003. The only on-going source testing requirements are found in Condition 15 of EFSEC/95-02 Amendment 2.

M5. Continuous Emissions and Process Monitoring

This monitoring requirement is used to provide a reasonable assurance of compliance with the emission limits identified in EFSEC/95-02 Amendment 2 and the monitoring requirements of 40 CFR 75 (for the Acid Rain program).

EFSEC/95-02 Amendment 2 stated that CEMS for NO_x and O₂, "shall meet the requirements contained in 40 CFR 75, Emissions Monitoring". 40 CFR 75 was designed to achieve the goals of the Acid Rain Program, not demonstrate compliance with the relatively low concentration permit limit of 3.0 ppmvd @ 15% O₂ at this facility. 40 CFR 75 allows for NO_x/O₂ CEMS to have a relative accuracy of 0.020 lb/MMBtu (5.4 ppmvd @ 15% O₂). Similarly, 40 CFR 75 App. B Section 2.1.4(a) does not classify the CEMS as "out of control" until the calibration error exceeds 5.0 ppm (for span values ≤ 50 ppm), or 10.0 ppm (for span values greater than 50 and ≤ 200 ppm). A NO_x/O₂ CEMS needs to be more accurate than this to provide a reasonable assurance of compliance with the 3.0 ppmvd @ 15% O₂ permit limit.

The quality assurance requirements cited in EFSEC/95-02 Amendment 2 for the CO CEMS allow for a relative accuracy of ±5 ppm and a cylinder gas audit accuracy of ±5

ppm. The CO CEMS needs to be more accurate than this to provide a reasonable assurance of compliance with the 3.0 ppmvd @ 15% O₂ permit limit.

The quality assurance requirements cited in EFSEC/95-02 Amendment 2 for the NH₃ CEMS allows for a cylinder gas audit accuracy of ± 5 ppm. The NH₃ CEMS needs to be more accurate than this to provide a reasonable assurance of compliance with the 10.0 ppmvd @ 15% O₂ permit limit.

WAC 173-401-630(1) requires that all Air Operating Permits "...contain compliance certification, testing, monitoring, reporting, and recordkeeping requirements sufficient to assure compliance with the terms and conditions of the permit." To meet this requirement, the following improved CEMS quality assurance requirements were "gap-filled" into the Air Operating Permit.

CEMS	Gap-Filled Quality Assurance Requirements
NO _x /O ₂	<ul style="list-style-type: none"> Relative accuracy $\leq 20\%$ of reference method or 10% of emission standard for Relative Accuracy Test Audits The calibration error as defined in 40 CFR 75, Appendix A, Section 7.2.1 shall not exceed 5%
CO	<ul style="list-style-type: none"> Relative accuracy $\leq 20\%$ of reference method or 10% of emission standard for Relative Accuracy Test Audits Relative accuracy of cylinder gas audit ± 15 percent of the average audit value or 0.5 ppm, whichever is greater
NH ₃	<ul style="list-style-type: none"> Relative accuracy of cylinder gas audit ± 15 percent of the average audit value or 1.0 ppm, whichever is greater

EFSEC/95-02 Amendment 2 identified the "requirements contained in 40 CFR, Part 60, Appendix B..." for the CO CEMS. The most relevant performance standard in Appendix B is Performance Specification 4A, therefore the requirements of Performance Specification 4A were specifically identified in this monitoring requirement.

EFSEC/95-02 Amendment 2 identified the "requirements contained in 40 CFR, Part 60, Appendix B..." for the NH₃ CEMS. The most relevant performance standard in Appendix B is Performance Specification 2, therefore the requirements of Performance Specification 2 were specifically identified in this monitoring requirement.

Condition 16 of EFSEC/95-02 Amendment 2 requires the permittee to report "CEMS and process data" to EFSEC and EPA Region X. To be reported, this information must be collected by the permittee. The specific CEMS and process data elements were not identified, but must at a minimum, consist of all data necessary to determine compliance with the permitted emission limits. Collection of the relevant CEMS data for NO_x, CO, and NH₃ were required (in units and averaging times consistent with the emission limits), as well as fuel flow data to calculate emissions of all other pollutants. Turbine generator electrical output was required as a quality assurance check on the fuel flow data since turbine heat rates should remain relatively constant at any specific load.

M6. SO₂ General Standard Monitoring

This monitoring requirement is used to provide a reasonable assurance of compliance with the applicable requirements drawn from 40 CFR 60 Subpart GG, 40 CFR 75, and EFSEC/95-02 Amendment 2. 40 CFR 60 Subpart GG limits fuel sulfur content to 0.8% by weight. 40 CFR 60 Subpart GG requires proof that gaseous fuel meet the definition of natural gas, and requires a regime of fuel sulfur content monitoring for liquid fuels (oil). All of the sulfur content monitoring requirements of 40 CFR 60 Subpart GG are satisfied by complying with the sulfur content monitoring requirements of 40 CFR 75 Appendix D.

Pipeline natural gas as defined in 40 CFR 72.2 contains less than 0.5 grains total sulfur per 100 scf. Natural gas as defined in 40 CFR 72.2 contains less than 20 grains total sulfur per 100 scf. In the past, the gas delivered to this facility has met the definition of natural gas, but not pipeline natural gas because the sulfur content was greater than 0.5 grains per 100 scf.

M7. Auxiliary Boiler Monitoring

This monitoring requirement comes directly from 40 CFR 60.48c and EFSEC/2009-01 Conditions 4 & 5. 40 CFR 60.48c and EFSEC/2009-01 Condition 4 both require monthly logging of natural gas consumption. This data will be used to calculate annual emissions.

M8. Auxiliary Boiler Source Emissions Testing and Performance Monitoring

The requirements cited in this monitoring requirement and Appendices B & C of the Permit come directly from EFSEC/2009-01 and provide a reasonable assurance of compliance with the NO_x and CO emission limits of EFSEC/2009-01. In addition, if the CO emission limit is being achieved, PM emissions are likely well below the permitted emission limits.

Performance monitoring of the Auxiliary Boiler with a combustion analyzer or equivalent is required at least annually. It is unlikely that emissions will degrade rapidly enough that more frequent monitoring is necessary to maintain proper operation. In addition, more comprehensive source emissions testing of the Auxiliary Boiler is required initially and at least once every 60 months following the initial source emissions test to provide a reasonable assurance of on-going compliance with the permitted emission limits

VII. EXPLANATION OF RECORDKEEPING REQUIREMENTS**K1. Basic Recordkeeping**

This recordkeeping section lists how the recordkeeping requirements of WAC 173-401-615(2) apply to inspections and certifications, complaints, upsets, and sampling and emissions testing. Basic Recordkeeping requirements were separated into Sections (a) through (d) to organize the requirements.

K1(d) "Sampling and Emission Testing" applies to source testing and RATA reports.

K2. Continuous Emissions and Process Data Recordkeeping Requirements

This recordkeeping section is taken from 40 CFR 75.57 - 75.59 and supplemented by the recordkeeping provisions of WAC 173-401-615(2).

The Acid Rain Program requires that pertinent records be maintained for at least three years from the date of the record. However, the recordkeeping provisions of the Air Operating Permit regulations, WAC 173-401-615(2)(c), require retention of records for a period of five years.

The requirement to maintain records of the CEMS and DAHS data from monitoring requirement M5 (data elements "a" through "j" of K2) is mandated by the provisions of WAC 173-401-615(2).

VIII. EXPLANATION OF REPORTING REQUIREMENTS**R1. Deviations from Permit Conditions**

This reporting section is taken directly from WAC 173-400-107, WAC 173-401-615(3), and Condition 18 of EFSEC/95-02 Amendment 2. The permittee is required to report all permit deviations no later than 30 days following the end of the month during which the deviation is discovered in accordance with WAC 173-401-615(3). In accordance with WAC 173-400-107, the permittee must report permit deviations due to excess emissions as soon as possible if the permittee wishes the deviation to be considered unavoidable. EFSEC may request a full report of any deviation if determined necessary. These deviations are also reported in each semi-annual report.

R2. Complaint Reports

The permittee is required to report all complaints to EFSEC within three business days of receipt to ensure prompt complaint response. This reporting section is based on WAC 173-401-615(3).

R3. Quarterly Reports

Condition 16 of EFSEC/95-02 Amendment 2 requires the permittee to submit reports monthly unless a different testing and reporting schedule has been approved by EFSEC. With issuance of this Title V permit, EFSEC authorizes the use of a quarterly reporting schedule rather than a monthly reporting schedule for the duration of the permit. In addition, with issuance of this Title V permit, EFSEC authorizes the permittee to submit quarterly reports in an electronic format approved by EFSEC. The current practice of submitting quarterly reports in Excel format is approved as of the date of issuance of this permit. The permittee must receive pre-approval from EFSEC to submit the quarterly report in other electronic formats.

As required by EFSEC/95-02 Amendment 2, all CEMS and process data shall be reported to both EFSEC and EPA Region X. The specific CEMS and process data elements were

not identified, but must at a minimum, consist of all data necessary to determine compliance with the permitted emission limits. The relevant CEMS data for NO_x, CO, and NH₃ was required (in the units and averaging times of the emission limits), as well as fuel flow data to calculate emissions of all other pollutants. Turbine generator electrical output was required as a quality assurance check on the fuel flow data since turbine heat rates should remain relatively constant at a specific load.

R4. Semi-annual Reports

The permittee is required to provide a report on the status of all required monitoring requirements and provide a certification of all reports on a semi-annual basis. Semi-annual reporting and certification of monitoring records is required by WAC 173-401-615(3). A responsible official must certify all reports required by the Title V permit.

The semi-annual report provides information on the status of all required monitoring. The actual results (e.g. CEM data, opacity readings, etc.) do not need to be submitted unless specifically required by the permit.

No report dates are specified in WAC 173-401-615(3), but a report date must be specified to assure timely reporting and make the requirement enforceable. Report dates of April 15th and October 15th were chosen (~3.5 months after the end of the reporting period) so that the semi-annual report for the last six months of the calendar year is due at the same time as the annual compliance certification and the annual emissions inventory report.

R5. Annual Compliance Certifications

Annual Compliance Certification: The permittee is required to report and certify compliance with all permit terms and conditions on an annual basis. Annual compliance certification is required by WAC 173-401-630(5). 40 CFR 60.11(g) requires the permittee to consider credible evidence when submitting compliance certifications for NSPS affected units (EU-1, EU-2, & EU-3). Any deviations from permit conditions or certifications of intermittent compliance need to be accompanied by an explanation.

WAC 173-401 does not provide a deadline date for submission of the annual compliance certification, but a deadline date is necessary to make the requirement enforceable. The April 15th date was chosen because it is the date by which the annual emissions inventory report must be submitted in accordance with WAC 173-400-105.

R6. Emission Inventory Reports

The permittee is required to report an inventory of emissions from the source, and certify compliance with all permit terms and conditions on an annual basis. A complete emissions inventory includes quantifiable emissions from all EUs and IEUs. It is not expected that emissions from the IEUs identified in Section III will be quantifiable.

R7. Source Test Reports

Condition 17.5 of EFSEC/95-02 Amendment 2 requires submittal of the results of combustion turbine compliance tests as an element of the data that must be submitted along the timeline specified in Condition 16. Consistent with Condition 16, compliance source test reports for the combustion turbines must be submitted no later than 30 days after the end of the calendar quarter during which the testing was conducted. Source test reports for RATAs conducted pursuant to 40 CFR 75 may be required at an earlier date if requested by EPA Region X or EFSEC.

In accordance with Condition 12 of EFSEC/2009-01, the results of all source emissions testing of the Auxiliary Boiler shall be reported to EFSEC within 45 days of test completion.

IX. APPENDICES

Appendix A contains the method by which visible emissions from the permittee's operations are to be evaluated when performing required monitoring. The federal requirements mandate the use of EPA Method 9. For EPA Method 9, the data reduction procedures detailed in EPA Method 9 must be used, not the procedures listed in Section 3 or Ecology Method 9A.

X. PERMIT ACTIONS**Air Operating Permit EFSEC/06-01-AOP**

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|----|---------------------------------------|------------------|
| 1. | Renewal Permit Application Submitted: | May 12, 2004 |
| 2. | Permit Application Deemed Complete: | May 25, 2004 |
| 3. | Permit Application Sent to EPA: | May 25, 2004 |
| 4. | Draft Permit Issued: | April 10, 2006 |
| 5. | Proposed Permit Issued: | July 11, 2006 |
| 6. | Final Permit Issued: | October 10, 2006 |

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| 1. | Renewal Permit Application Submitted: | December 15, 2010 |
| 2. | Permit Application Deemed Complete: | March 3, 2011 |
| 3. | Permit Application Sent to EPA: | March 4, 2011 |
| 4. | Draft Permit Issued: | June 24, 2011 |
| 5. | Proposed Permit Issued: | August 19, 2011 |
| 6. | Final Permit Issued: | October 10, 2011 |

XI. PLOT PLAN – see next page

