



July 13, 2005

Ms. Irina Makarow
Siting Manager
Energy Facility Site Evaluation Council
PO Box 43172
Olympia WA 98504-3172

RE: Administrative Corrections to PSD Permit EFSEC-2001-01/Amendment 2

Dear Ms. Makarow:

As mentioned in our phone conversation on July 8, 2005, there are a few administrative corrections the current certificate holder, Grays Harbor Energy LLC, would like to request with regard to Amendment 2 of Site Certification EFSEC 2001-01. These administrative corrections involve the PSD permit portion of the Site Certification Agreement and most were addressed previously with Amendment 1. I suspect an earlier template was used in the preparation of Amendment 2 instead of the final Amendment 1 template. Thomas Donovan, Grays Harbor Energy LLC, Project Director, investigated recently these Amendment 2 errors with Duke Energy's Craig Bressan and Energy Northwest's Laura Schinnell; confirming that the errors resulted from clerical omission and Duke's decision to prepare the Amendment 2 application in-house.

The corrections requested are as follows:

1. The diesel generator NO_x emission rate has reverted back to an erroneous number that was in the draft Amendment 1 permit. Subsequent to my September 3, 2002 comment letter to Michelle Elling (attached), the corrected value was provided in the final Amendment 1 permit. Below, please find the Amendment 1 language. This is the correct language.

5 Nitrogen oxides plus non-methane hydrocarbons emissions

5.1 Each diesel generator exhaust stack shall not exceed:

5.1.1 3.2 kg/hr (7.04 lb/hr) or 6.4 grams per kilowatt-hour,

The comment I submitted in 2002 to correct the language in the draft Amendment 1 permit (and is applicable to the error in Amendment 2) follows:

Approval Condition 5.1.1 There appears to be an error with the diesel generator NO_x emission rate. The Tier II emission factor for NO_x with NMHC is 6.4 gm/kW-h which converts to 3.2 kg/hr (7.04 lb/hr) for a 500 kW diesel generator. Please verify and modify the NO_x limit in the permit which is currently written as 2.38 kg/hr (5.26 lb/hr).

2. In Approval Condition 5.1, the word “each” should be changed to “the” to avoid confusion as there is only one diesel generator now (Phase 2 was dropped). Similarly, “each” should be changed to “the” in Approval Conditions 4.2 and 5.2 because there is only one auxiliary boiler and one emergency fire pump.

3. The sentence “Routine compliance will be indicated through diesel generator operating hour records and certification of the engine meeting the applicable new engine standards for engines sold in 2002.” should be labeled as Approval Condition 7.3.3. It currently follows Approval Condition 7.3.2 as a sentence by itself. Similarly, the sentence “Routine compliance will be indicated through diesel generator operating hour records and certification of the engine meeting the applicable new engine standards for engines sold in 2002.” should be labeled as Approval Condition 11.3.3.

4. The NO_x emissions shown in the Approval Condition 13 table for diesel generator emissions should be corrected to 1,600 kg/yr and 1.76 tpy based on the corrected Approval Condition 5.1.1.

5. My September 3, 2002 letter to Michelle Elling also requested the following change in Approval Condition 10.1.1:

Approval Condition 10.1.1 The emission rate in the draft permit for VOCs from the CTGs is in error. The engineering data from the applicant provides for an emission rate of 8.4 lb/hr (3.8 kg/hr). Please modify the VOC limit in the permit from 6.3 lb/hr (2.86 kg/hr) to 8.4 lb/hr (3.8 kg/hr).

This correction did not make it into Amendment 1 and I don't recall an explanation although I suspect it involves test methodology and reporting. Can this be clarified? If it is involving test methodology and reporting needs, can the conversion assumptions be provided?

6. There is a typo in Approval Condition 11.3.1. The emission limit should read 2.4 kg/day rather than 2.4 g/day. The 5.28 lb/day value is correct.

7. The annual emissions for CO in Approval Condition 13 do not match the plant-wide emissions in Findings 10 of Amendment 2. Based on the new CO hourly emission rate of 14.6 lb/hr and the previous startup and shutdown emissions for the CTGs, as well as the CO emissions from the auxiliary boiler and diesel generator, the annual plant-wide emissions for CO should be 474 tons per year (tpy). Approval Condition 10 states 470 tpy and it should be corrected to 474. Approval Condition 13 states 251 tpy for one CTG and that amounts to 502 tpy for 2 CTG's. The extra 30 tpy, based on the 474 tpy being correct for the operations listed, may be what has been assigned to the startup and shutdown of the diesel generators and auxiliary boiler. Can this be confirmed and can the permit be consistent in its statement of annual emissions? There are other small rounding errors in the table associated with Findings 10 as compared with the table in Approval Condition 13 also.

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Please don't hesitate to call me with any questions. Grays Harbor Energy LLC desires approval of these administrative changes as soon as practical so that they may submit an amendment request to extend the resumption of construction date based upon the correct information. Thank you for your time and assistance.

Sincerely,

Cascade Environmental Management

M. E. Piper

Marie E. Piper

Attachment

cc: Mike Mills, Energy, Facility Site Evaluation Council
Alan Newman, Washington State Department of Ecology
Thomas Donovan, Grays Harbor Energy LLC
Frank Sarduy, Invenergy Services LLC
Laura Schinnell, Energy Northwest
Karen McGaffey, Perkins Coie



September 3 ,2002

Michelle Elling
Energy Facility Site Specialist
PO Box 43172
Olympia, WA 98504-3172

RE: Comment Letter for Satsop CT Project PSD Application

Dear Ms. Elling:

On behalf of the applicant, Duke Energy, I submit the following comments regarding the Satsop CT Project's PSD Application and draft permit. The comments consist of minor corrections and clarifications to Approval Conditions contained in the draft permit currently out for public comment.

Approval Condition 5.1.1 There appears to be an error with the diesel generator NOx emission rate. The Tier II emission factor for NOx with NMHC is 6.4 gm/kW-h which converts to 3.2 kg/hr (7.04 lb/hr) for a 500 kW diesel generator. Please verify and modify the NOx limit in the permit which is currently written as 2.38 kg/hr (5.26 lb/hr).

Approval Condition 10.1.1 The emission rate in the draft permit for VOCs from the CGTs is in error. The engineering data from the applicant provides for an emission rate of 8.4 lb/hr (3.8 kg/hr). Please modify the VOC limit in the permit from 6.3 lb/hr (2.86 kg/hr) to 8.4 lb/hr (3.8 kg/hr).

Approval Condition 11.4.1 To be consistent with the averaging period utilized for particulate matter emission rates for other sources in the permit, please modify the hourly emission rate of 0.10 kg/hr (0.22 lb/hr) for the diesel generators to 2.4 kg/day (5.28 lb/day).

Approval Condition 14.2 Please confirm that the two startup/shutdown cycles per day limit is for routine operations, as stated in the draft permit, and not applicable during the commissioning period. During the commissioning period, more than two

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startup/shutdown cycles may be necessary on occasion. The averaging periods for the primary pollutant of concern are 1-hour and 8-hour; hence, no daily limit on the number of startup/shutdown cycles is necessary.

Approval Condition 16 Please add language to the Approval Condition to clarify the definition for “first commercial electricity from a CGT” is based on 40 CFR 72.2’s definition as follows:

“Commence commercial operation means to have begun to generate electricity for sale, including the sale of test generation.”

Duke Energy utilizes the term “synch to grid” in their commissioning documents interchangeably with the 40 CFR 72.2 definition of “commence commercial operation”.

Please don’t hesitate to call me if any questions. Thank you for your time and assistance.

Sincerely,

Cascade Environmental Management

Marie E. Piper

cc: Katy Chaney, URS Corporation
Karen McGaffey, Perkins Coie
Andrew McNeil, Duke Energy Grays Harbor
Alan R. Newman, Washington State Department of Ecology
Michael J. Sotak, Duke Energy North America