

BEFORE THE STATE OF WASHINGTON
ENERGY FACILITY SITE EVALUATION COUNCIL

In the Matter of
Application No 99-01

SUMAS ENERGY 2, INC.

SUMAS ENERGY 2
GENERATION FACILITY

Notice of Draft Notice of Construction /
Prevention of Significant Deterioration
(NOC/PSD) Permit Available for Public
Comment, EFSEC No. 00-01;

Notice of Public Comment Period - August
25, 2000 to September 28, 2000;

Notice of Public Hearing - September 28,
2000.

PROJECT DESCRIPTION:

On January 4, 1999, Sumas Energy 2, Inc. submitted Application No. 99-1 to the Washington State Energy Facility Site Evaluation Council (EFSEC or Council) to construct and operate the Sumas Energy 2 Generation Facility in Sumas, Washington. The submission included an application for a Notice of Construction/Prevention of Significant Deterioration (NOC/PSD) permit and an evaluation of Best Available Control Technology (BACT). A revised NOC/PSD permit application and BACT evaluation were submitted to the Council in January 2000 after project design revisions.

The proposed project is a 660 megawatt natural gas-fired combustion turbine electrical generation facility, a new 0.5 mile, 230 kilovolt, electrical transmission line to be constructed from the proposed facility to the Canadian border and a 5 mile, 16 inch, natural gas pipeline to be constructed adjacent to an existing natural gas pipeline that runs east and northeast from the project site to the Canadian border.

EFSEC is conducting an examination of the project through a formal adjudicative proceeding. EFSEC is also conducting an environmental review of the project. A draft Environmental Impact Statement (EIS) under the Washington State Environmental Policy Act was issued in March 2000. A final EIS will be issued following the close of the adjudicative proceeding.

PRELIMINARY DETERMINATION:

The Council has been delegated the authority under 40 CFR Part 52 to issue permits under the Prevention of Significant Deterioration (PSD) program. To comply with procedural requirements, the Council has contracted with the Washington Department of Ecology's Air Quality Program to prepare a draft PSD permit and fact sheet that will satisfy pertinent requirements, for Council and public consideration.

The issuance of this draft PSD permit and draft fact sheet should in no way be taken to represent future conclusions, conditions or recommendations to the Governor of Washington State by the Energy Facility Site Evaluation Council.

This notice serves as the council's official notification that the draft PSD permit has been issued, and is available for public inspection and comment. It also serves as notice that members of the public and interested parties have an opportunity to submit written comments to the Council on the draft PSD permit.

The S2GF facility would be a major new source of air pollution because it has the capacity to emit any one of nitrogen oxides (NO_x), carbon monoxide (CO), volatile organic compounds (VOCs), or particulate matter (PM₁₀)¹ at more than 100 tons per year. Some of the sulfur dioxide from the facility is expected to convert and hydrolyze to sulfuric acid mist¹. Emissions of NO_x, CO, VOCs, PM₁₀, SO₂/SO₃, and sulfuric acid mist at these levels are subject to regulation under the PSD program.

S2GF would also emit toxic air pollutants. The sulfuric acid mist included as a criteria pollutant, above, is also a toxic air pollutant. Some of the unburned hydrocarbons² and excess ammonia from NO_x reduction are the other toxic air pollutants that will be emitted by S2GF. Toxic air pollutants are regulated under Chapter 173-460 WAC (new source review regulations).

After reviewing the NOC/PSD application and the accompanying BACT evaluation submitted by Sumas Energy 2, Inc., the Council's permit writer has made a preliminary determination that all requirements for PSD and New Source Review are satisfied, and that if the preliminary draft permit were approved, the emission units would comply with all applicable federal new source performance standards.

Best available control technology (BACT) as required under WAC 173-400-113 (2) and toxic best available control technology (T-BACT) as required under WAC 173-460-040 (4) would be used for the control of all air pollutants which would be emitted by the proposed project. BACT for NO_x control will consist of a combination of standard dry low-NO_x combustor technology with selective catalytic reduction (SCR) control technology. This technology combination reduces NO_x emissions to one hour average of 2.0 parts per million volume dry (ppmvd) at 15% oxygen when burning natural gas, and 6 ppmvd when burning low-sulfur oil. Good combustion practice, using only natural gas and on-road specification, low-sulfur distillate oil (less than 0.05% sulfur), and minimizing oil-firing will constitute BACT for control of volatile organic compounds (VOC), particulate matter less than 10 microns (PM10), sulfur oxides, and organic toxic air pollutants. BACT for carbon monoxide (CO) control is catalytic oxidation, limiting CO concentrations to a one hour average of 2 ppmvd when burning natural gas and 12 ppmvd when burning low-sulfur fuel oil. T-BACT for ammonia will consist of selective catalytic reduction with an emission limit of 10 ppmdv.

ENVIRONMENTAL IMPACT:

The Council's permit writer has determined that allowable emissions from the proposed emission units, in conjunction with all other applicable emission increases or reductions (including secondary emissions) would not cause or contribute to violation of any ambient air quality standard or any applicable maximum allowable increase over the baseline concentration in any area.

Modeling indicates that there would be no significant impacts resulting from pollutant deposition on soils and vegetation in the Class I areas: Alpine Lakes Wilderness, Glacier Peak Wilderness, North Cascades National Park, Olympic National Park, and Pasayten Wilderness, the proposed Class I area, the

¹ Potential to emit: NO_x: 156 tons per year (2 ppmvd on gas, 6 ppmvd on oil); CO: 106 tons per year (2 ppmvd on gas, 12 ppmvd on oil); SO_x: 45 tons per year (<1 ppmvd on gas, 10 ppmvd on oil) if the full fifteen permitted days of annual oil-firing is realized. In any year in which no oil is used as fuel, sulfur oxide emissions should not exceed 11 tons; VOCs: 156 tons per year (6 ppmvd on gas, 10 ppmvd on oil); PM₁₀: 223 tons per year (filterable and condensable); H₂SO₄ mist: 9.3 tons per year (13.5% molar conversion SO₂ to SO₃, fully hydrated) if the full fifteen permitted days of annual oil-firing is realized. In any year in which no oil is used as fuel, sulfuric acid mist emissions would not exceed 6.8 tons per year.

² Acrolein, benzene, and polycyclic aromatic hydrocarbons among others.

Mt. Baker Wilderness, or in analogous areas in nearby British Columbia, Canada. Ambient impact analysis indicates that it is very unlikely that the proposed emissions would cause significant degradation of regional visibility, or impairment of visibility in any Class I area.

PUBLIC COMMENT:

The draft approval of NOC/PSD No. EFSEC/00-01 and the corresponding draft Fact Sheet (a supplement to the permit to provide more detailed information) are available for review during the public comment period at the following locations:

Washington Energy Facility
Site Evaluation Council
925 Plum Street SE, Building 4
Olympia, Washington

Washington State Library
Joel M. Pritchard Library, Capitol Campus
16th and Water Streets
Olympia, Washington 98504-2460

Whatcom County Library System
5205 Northwest Road
Bellingham WA 98226-9092

Whatcom County Library System
Sumas Branch
451 - 2nd Street
Sumas, WA 98295

Whatcom County Library System
Lynden Branch
205 - 4th Street
Lynden, WA 98264

Whatcom County Library System
Everson Branch
104 Kirsch Drive
Everson, WA 98247

MSA Centennial Library
33660 South Fraser Way
Abbotsford, BC V2S 2B9, Canada

Clearbrook Library
32320 Dahlstrom Avenue
Abbotsford, BC V2T 6N4, Canada

On the internet at: <http://www.efsec.wa.gov/sumas2/psd.htm>

Copies will also be mailed to persons or agencies upon request.

The public comment period will extend from August 25 to September 28, 2000. Interested persons may review the documents and submit written comments regarding the proposed permit to: Allen Fiksdal, EFSEC, PO Box 43172, Olympia, WA 98504-3172. Written comments must be received at the EFSEC office by September 28, 2000. EFSEC requests that comments not be sent by fax or e-mail. EFSEC will accept written comments submitted in person at the September 28, 2000, Public Hearing (see below).

All persons, including the applicant, who believe any condition of this draft permit is inappropriate must raise all reasonably ascertainable issues and submit all reasonably available arguments supporting their position in writing by the end of the comment period. Any supporting materials which are submitted must be included in full and may not be incorporated by reference, unless they are already part of the administrative record for this proposed approval or are generally available reference material.

PUBLIC HEARING:

A public hearing on this matter will be held on **Thursday September 28, 2000**, beginning at **7:00 p.m.**, at the **Nooksack Valley High School, 3326 East Badger Rd, Everson, WA, 98247.**

The Council will limit the hearing only to the matters specifically related to draft NOC/PSD permit conditions. The hearing will be conducted in accordance with the Administrative Procedures Act, Chapter 34.05 Revised Code of Washington.

Because the Council anticipates significant public participation at this hearing and the possible need to limit time for oral comments, the Council urges that members of the public wishing to make oral comments also consider submitting a written version to complete their testimony.

ADDITIONAL INFORMATION:

More specific information about the project is available from EFSEC's office or from reviewing the application at the public libraries in Olympia, WA, and Whatcom County listed above. Information regarding the project is also on EFSEC's Internet site at: <http://www.efsec.wa.gov>.

Please bring this Notice to the attention of persons who you know would be interested in this matter.

A copy of the Council's final determination regarding the proposed permit will be filed for inspection at the locations above. Within 30 calendar days after the final decision has been issued, any person who commented on the draft approval may petition the EPA Administrator, under 40 CFR 124.19, to review any condition of the decision. Any person who failed to file comments or failed to participate in the public hearing on the draft may petition for administrative review only to the extent of the changes from the draft to the final approved decision.

For more information, or if you have special accommodation needs, contact Irina Makarow at 360/956-2047 (Voice) or 360/586-4224 (TDD).

WASHINGTON ENERGY FACILITY SITE EVALUATION COUNCIL

Dated in Olympia, Washington, this 25th day of August, 2000.

By: Allen J. Fiksdal, EFSEC Manager
PO Box 43172
Olympia, Washington 98504-3172