



**SUSANA MARTINEZ**  
GOVERNOR

**JOHN A. SANCHEZ**  
LIEUTENANT GOVERNOR

**New Mexico**  
**ENVIRONMENT DEPARTMENT**

**Air Quality Bureau**

1301 Siler Road, Building B  
Santa Fe, NM 87507-3113

Phone (505) 476-4300

Fax (505) 476-4375

[www.nmenv.state.nm.us](http://www.nmenv.state.nm.us)



**DAVE MARTIN**  
CABINET SECRETARY

**BUTCH TONGATE**  
DEPUTY SECRETARY

June 04, 2012

**CERTIFIED MAIL NO. 7005 1820 0001 5771 0064**

Mark Williams  
Air Quality Services Manager  
Public Service Company of New Mexico (PNM)  
Alvarado Square  
MS 2104  
Albuquerque, NM 87158

Re: Permit Application No. 0063-M8 (IDEA ID No. 1421 - PRN20120001)

Dear Mr. Williams:

This letter is in response to your air quality permit application dated March 30, 2012 and additional information response date May 30, 2012 to modify the PNM - San Juan Generating Station near Waterflow, New Mexico. The application was received by the Department on April 9, 2012. This letter addresses the Completeness Determination, Public Notice and Comment, and Invoice for Permit Fee and is intended for use by the applicant, interested individuals and groups, and the appropriate NMED Field Office.

**Completeness Determination**

A preliminary review has been completed and the information provided is sufficient to complete an evaluation of your permit application. Therefore, your application was ruled administratively complete on June 04, 2012. Under the requirements of 20.2.72 NMAC, the Department anticipates issuing or denying this permit on or before September 2, 2012.

**Public Notice and Comment**

The Department will publish a public notice that will be sent to the NMED district or field office nearest the source (see enclosed). It describes the proposed facility, a summary of estimated emissions and ambient impact, the Department's preliminary intent to issue the permit, and the provisions for public comment.

The Department's analysis includes the Statement of Basis and is prepared as part of the technical review of the permit application. All interested persons have thirty (30) days from the date the public notice is published to notify the Department in writing of their interest in the permit application. The Department will notify all such persons of when and where the Department's analysis may be reviewed. Interested persons may review the Department's analysis for thirty (30) days after it becomes available at the NMED district or field office nearest the source. Written comments on the analysis or permit application and requests for a public hearing may be submitted to the Department during this second thirty (30) day period or any time before the permit is issued or denied.

The Department will hold a public hearing if the Secretary determines there is significant public interest in the permit application. The Department will also determine the time, date, and place of the hearing and shall notify the applicant and the public. At the hearing, all interested persons shall be given a reasonable chance to submit data, views or arguments orally or in writing, and to examine witnesses testifying at the hearing.

After the permit is issued or denied, the Department will mail written notice of the action taken on a permit application to all persons who submitted written comments or evidence on the application.

#### Invoice for Permit Fee

In accordance with 20.2.75 NMAC, this letter includes an invoice for the required permit fee in the amount of \$6,268.00. This fee is due within thirty (30) days of the date ruled administratively complete. 20.2.75 NMAC states that the Department shall deny any permit application or request for permit revision if the required permit fee has not been paid. This fee is not refundable. An enforcement/compliance fee will also be assessed annually. All fees shall be remitted in the form of a corporate check, certified check, or money order made payable to the New Mexico Environment Department, and shall be accompanied by the enclosed remittance slip. Fees shall be submitted to NM Environment Department, AQB at the address shown on the invoice.

20.2.72.200.E NMAC states: "for all sources subject to this regulation applications for permits shall be filed prior to the commencement of construction, modification, or installation. Regardless of the anticipated commencement date, no construction, modification, or installation shall begin prior to issuance of the permit."

Air Quality Permit No. 0063-M8

June 04, 2012

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If you have any questions please contact me in Santa Fe at 505-476-4347.

Sincerely,



Joseph Kimbrell

Permit Section

Air Quality Bureau

cc: Ralph Williams, Class One Technical Services Inc  
Farmington NMED District/Field Office  
20.2.72.206 NMAC, Section A(4) List (public notice only)

Enclosures:

Public Notice – Attachment A

Permit fee invoice worksheet (applicant only)

Compact Disk (CD) Copy of Application (NMED district or field office)

NMED District or Field Office Request (NMED district or field office) – Attachment B

# LEGAL NOTICE

and

## Preliminary Determination for an Air Quality Permit for

### Public Service Company of New Mexico (PNM)

Public Service Company of New Mexico (PNM), Alvarado Square MS 2104, Albuquerque, NM has submitted an air quality permit application to the Air Quality Bureau (AQB), New Mexico Environment Department (NMED) for an air quality permit to modify PNM - San Juan Generating Station. The application file has been assigned Permit No. 0063-M8 and TEMPO Agency Interest ID No. 1421. The exact location of the facility is at latitude 36 deg, 48 min, 2 sec and longitude -108 deg, 26 min, 19 sec. To aid in locating this facility, the approximate location is 3 miles north-northeast of Waterflow, NM in San Juan County.

The proposed modification consists of adding emission controls to each of the four coal fired boilers to reduce nitrogen oxides (NOx) and sulfuric acid emissions to meet new NOx and sulfuric acid emission limits required by a Federal Implementation Plan (FIP) issued by the US EPA (40 C.F.R. § 52.1628). The NOx controls for the FIP will be SCR (selective catalytic reduction) using anhydrous ammonia, and the sulfuric acid controls used to ensure compliance with the FIP will be DSI (dry sorbent injection) using either Trona (sodium sesquicarbonate), sodium bicarbonate (NaHCO<sub>3</sub>), or hydrated lime (Ca(OH)<sub>2</sub>). SJGS must be able to meet the FIP emission limits by September 21, 2016. If a judicial review of the FIP results in vacatur of the FIP requirements, PNM would implement the State Implementation Plan (SIP) requirements which require installation and operation of an SNCR (selective non-catalytic reduction) control system, rather than SCR. SNCR is represented in this permit application as Scenario B. While permitting scenarios A and B are distinct, some permit modifications are common to both scenarios. Combine AUX 1 and 2 into Unit E410 and delete Unit E411. For Scenario A: add Units E520, E521, and E522.

Total air pollutant emissions to the atmosphere are estimated to be approximately as shown in the table below. The facility is a major,  $\geq 100,000$  tpy CO<sub>2e</sub>, source of green house gas emissions. These emission estimates could change slightly during the course of the Department's review of the application.

Pollutant	Current Emissions (tons per year)	SCR Scenario	SNCR Scenario
Nitrogen Dioxide (NOx)	24706.0	4118.0	18941.0
Carbon Monoxide (CO)	39426.0	No Change	No Change
Volatile Organic Compounds (VOC)	248.0	No Change	No Change
Sulfur Dioxide (SO <sub>2</sub> )	12373.0	No Change	No Change
Particulate Matter (total suspended)Total	3381.1	1691.0	1690.0
Particulate Matter (10 microns or less) filterable	1582.0	1385.0	1384.0
Particulate Matter (2.5 microns or less) total	2836.2	2810.0	2810.0
Total Sum of Hazardous Air Pollutants (HAPs)	88.0	No Change	No Change

The NMED has conducted a preliminary review of the information submitted with the permit application. The preliminary review and applicant's analysis of ambient air quality impacts indicates that the facility's air emissions will meet the ambient air quality standards SO<sub>2</sub>, NOx, PM and CO. A full review will

evaluate the estimated emission rates for the pollutants listed above and the air quality analysis to determine compliance with the associated ambient air standards and requirements.

Based on the applicant's analysis, a preliminary determination is that this facility will comply with the requirements of Title 20, New Mexico Administrative Code (NMAC), Chapter 2, Parts 20.2.14, 20.2.31, 20.2.32, 20.2.70, 20.2.71, NSPS Subparts A, D, and OOO, 40CFR72 Subparts B, D, and I, 40CFR73 Subparts B, C, and D, 40CFR75 Subparts A-G, 40CFR76; and the New Mexico Air Quality Control Act. Therefore, the preliminary intent of NMED is to issue the air quality permit on or before September 2, 2012. This source is a major source according to 20.2.74 NMAC, PSD.

To ensure compliance with state and federal air regulations, the permit is expected to include conditions that limit the emissions, hours of operation, and production rate, and conditions that will require record keeping and reporting to the Department.

The permit application is available for review in electronic or hard copy at the Air Quality Bureau Office, 1301 Siler Road, Building B, Santa Fe, New Mexico. To arrange viewing of this application contact Teri Waldron, at 505-476-4355 or [teri.waldron@state.nm.us](mailto:teri.waldron@state.nm.us). The permit application is also available at the NMED Farmington Office, located at 3400 Messina, Suite 5000, Farmington, NM 87402 for public review.

All interested persons have thirty (30) days from the date this notice is published, to notify the Department in writing of their interest in the permit application. The written comments should refer to the company name, site name and Permit No. (or send a copy of this notice along with your comments). The written comments shall state the nature of the issues raised and how it relates to the requirements of applicable state and federal air quality regulations and the Clean Air Act. The written comments should be mailed to Joseph Kimbrell, New Mexico Environment Dept., Air Quality Bureau, Permit Section, 1301 Siler Road, Building B, Santa Fe, New Mexico 87507-3113.

The Department will notify all persons, who have provided written comments, as to when and where the Department's analysis may be reviewed. Although all written comments will be made part of the public record, any person who does not express interest in writing prior to the end of this first thirty (30) day period will not receive such notification.

If the Department receives written public comment prior to the end of the Department's thirty (30) day public notice, the Department's analysis will be made available for review for thirty (30) days at the NMED district or field office nearest to the source before the permit will be issued. Written comments on the analysis or permit application may be submitted to the Department during this second thirty (30) day period or at any time before the permit is issued or denied.

Questions or comments not intended to be part of the public record can be directed to Joseph Kimbrell at 505-476-4347. General information about air quality and the permitting process can be found at the Air Quality Bureau's web site. The regulation dealing with public participation in the permit review process is 20.2.72.206 NMAC. This regulation can be found in the "Permits" section of this web site.

## Attachment B –Field Office Request

### District or Field Office Request

- The permit application available in Tempo and on the enclosed electronic disk and the attached Legal Notice are being sent to your office in accordance with 20.2.72.206 NMAC - Public Notice and Participation, which states: "the Department shall make available for public inspection the permit application, the Department's analysis, and the Department's preliminary determination. This material shall be available both at the Department's central office and the district or field office nearest to the proposed source." The Legal Notice contains the Department's preliminary determination.
- Please make these records available to public for a period one (1) year unless otherwise requested by the Air Quality Bureau.