



BILL RICHARDSON
Governor

DIANE DENISH
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



RON CURRY
Secretary

JON GOLDSTEIN
Deputy Secretary

April 25, 2008

Ms. Nancy Norem
Public Service Company of New Mexico
2401 Aztec Road NE
MS-Z110
Albuquerque, New Mexico 87107

Subject: Additional Information Request for San Juan Generating Station BART Analysis

Dear Nancy,

This letter is in response to Public Service Company of New Mexico's (PNM) original BART submittal of June 2007, and the additional information submitted to the Department on April 8, 2008 regarding the evaluation of the Nalco-Mobotec ROFA and Rotamix Technology. Based on the information submitted, the Department cannot accept the elimination of ROFA, Rotamix, or SNCR technology as technologically infeasible as these arguments have not been satisfactorily demonstrated. Per the preamble to the final BART Rule [70 FR 39104]:

“CAA section 169A(g)(7) directs States to consider five factors in making BART determinations. The regional haze rule codified these factors in 40 CFR 51.308(e)(1)(ii)(B), which directs States to identify the “best system of continuous emissions control technology” taking into account “the technology available, the costs of compliance, the energy and nonair quality environmental impacts of compliance, any pollution control equipment in use at the source, and the remaining useful life of the source.”

ROTAMIX and SNCR

Nalco-Mobotec has provided PNM a budgetary proposal that specifies their Rotamix technology installed on Units 1-4 at the San Juan Generating Station (SJGS) will meet the NOx presumptive limit of 0.23 lb/mmBtu, per Table 1 in PNM's submittal dated April 8, 2008. The Rotamix technology has been successfully installed on Progress Energy's Sutton Station Unit 3, a 425 MW unit. This unit is of comparable size to the units at the SJGS. Thus, PNM cannot categorically exclude Rotamix from the BART analysis based on technological infeasibility. As

such, the Department requests that PNM perform the complete analysis, including visibility modeling, of Rotamix technology at the SJGS.

Further, the preamble to the final BART rule states that:

“States, as a general matter, must require owners and operators of greater than 750 MW power plants to meet these BART emission limits. ... Although we believe that these requirements are extremely likely to be appropriate for all greater than 750 MW power plants subject to BART, a State may establish different requirements if the State can demonstrate that an alternative determination is justified based on a consideration of the five statutory factors.”

Therefore, based on this direction that states can make an alternative determination to the presumptive limits, PNM cannot use as the basis for elimination the fact that any particular control technology is unable to meet the presumptive limits. This technology was originally excluded from the analysis because a budgetary performance evaluation from an SNCR vendor indicated the units would achieve an emission level of 0.24 lb NO_x/mmBtu. The Department does not agree with the basis of this argument and requests a full evaluation of SNCR technology. PNM’s submittal shall include all supporting documentation with equipment vendors, including the budgetary performance evaluations, as well as all other required information.

ROFA

According to the preamble to the BART Final Rule:

“all but a very few of these units could meet the presumptive limits using advanced combustion controls such as rotating over fire air (“ROFA”), which has already been demonstrated on a variety of coal-fired units. The advanced combustion control technology we used in our analysis, ROFA, is recently available and has been demonstrated on a variety of unit types. It can achieve significantly lower NO_x emission rates than conventional over-fire air and has been installed on a variety of coal-fired units including T-fired and wall-fired units. We expect that not only will sources have gained experience with and improved the performance of the ROFA technology by the time units are required to comply with any BART requirements, but that more refinements in combustion control technologies will likely have been developed by that time. As a result, we believe our analysis and conclusions regarding NO_x limits are conservative. For those units that cannot meet the presumptive limits using current combustion control technology, States should carefully consider the use of advanced combustion controls such as ROFA in their BART determinations.”

Therefore, according to the EPA’s own analysis, ROFA technology has been proven effective at a number of coal-fired units and should be carefully considered as part of the BART analysis. The Department requests that PNM provide a thorough analysis of the ROFA installation at the

Ms. Nancy Norem
Public Service Company of New Mexico

April 25, 2008
Page 3

SJGS. In addition, all information including budgetary proposals and project designs, requested by PNM and received by various equipment vendors, should be submitted as part of the analysis.

In your email of March 27, 2008, you indicated that the fuels department was reviewing the EPA's email concerning the coal classification of the coal burned at the SJGS. The Department requests an update on the status of the coal review.

Please provide the Department with a response by May 9, 2008. Thank you for your assistance with this request.

Sincerely,

Mary Uhl
Bureau Chief