**DRAFT Statement of Basis - Narrative**

Minor NSR Permit

**Type of Permit Action:** PSD major modification

**Facility: Hobbs Generating Station**

**Company:** Lea Power Partners LLC

**Permit No(s).**: PSD3449-M5 and P244-M4

**Tempo/IDEA ID No.**: 25726 - PRN20180001

**Permit Writer:** Kirby Olson

**Fee Tracking**

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| --- | --- |
| **Tracking** | **NSR tracking entries completed:** [X] Yes [] No |
| **NSR tracking page attached to front cover of permit folder:** [X] Yes [] No |
| **Paid Invoice Attached:** [] Yes [] No |
| **Balance Due Invoice Attached:** [X] Yes [] No |
| **Invoice Comments:** |

|  |  |  |
| --- | --- | --- |
| **Permit Review** | **Date to Enforcement:** 11/21/18 | **Inspector Reviewing:** |
| **Date Enf. Review Completed:** | **Date of Reply:** (if necessary) |
| **Date to Applicant:** 11/21/18 | **Date of Reply:** |
| **Date of Comments from EPA:** | **Date to EPA:** 11/21/18 |
| **Date to Supervisor:** | |

1. **Plant Process Description:**

The facility is a natural gas fueled, nominal 604 MW net output power plant that produces electrical power for sale to Southwestern Public Service Company, its successors or assignees. The facility consists of two advanced firing temperature, Mitsubishi 501F combustion turbine generators (CTGs), each provided with its own heat recovery steam generator (HRSG) including duct burners, a single condensing, reheat steam turbine generator (STG), and an air-cooled condenser serving the STG.

The exhaust from each CTG is delivered to a HRSG that produces the steam to drive the STG. Supplemental firing, using duct burners, is employed during periods of peak demand to increase HRSG steam production.

A surface condenser (heat exchanger) is used to condense the steam exhaust from the STG. Condensing the steam produces a slight vacuum, thus increasing the pressure differential that drives the steam turbine and increasing the overall efficiency of the power plant. Dry cooling is utilized to condense the steam exhaust from the steam turbine.

Several small emission sources are used at Hobbs, including 3 inlet chillers, 3 auxiliary cooling towers, 3 natural gas fuel heaters, a firewater pump, a standby generator and a number of storage tanks. The inlet air chilling system consists of 3 crossflow cooling towers that serve to enhance the overall output of the plant by lowering the temperature of the air entering the CTGs during periods of high ambient temperature (May through November). The auxiliary cooling towers consist of 3 crossflow closed-circuit wet cooling towers. The natural gas fuel heaters are used to pretreat the natural gas before it is fed to the CTGs. The firewater pump diesel engine is used to provide fire protection water for the plant and operates under 500 hours per year. The standby diesel generator operates under 500 hours per year and is used to provide the plant electrical requirements during complete black-out situations. Both engines fire low sulfur diesel fuel only.

Storage tanks at the site include two diesel tanks for the firewater pump diesel engine and the standby generator diesel engine, two additional diesel storage tanks, one gasoline storage tank, an aqueous ammonia storage tank for the SCR NOx emissions control unit, a caustic storage tank and an aqueous sulfuric acid storage tank for the cooling towers pH control, a neutralization tank that serves the wastewater facility, and several water storage tanks.

1. **Description of this Modification:**

This modification consists of removing the operating hours restriction for the turbines allowing them to run 8760 hours per year. This modification also increases emission limits for the turbines resulting from an upgrade to the turbines. This modification also redesignates the Total Suspended Particulates (TSP) limits as Particulate Matter (PM) limits due to the revision to 20.2.3 NMAC to repeal the TSP NMAAQS effective November 30, 2018.

1. **Source Determination:**

1. The emission sources evaluated include the entire power plant.

2. Single Source Analysis:

* 1. SIC Code: Do the facilities belong to the same industrial grouping (i.e., same two-digit SIC code grouping, or support activity)? Yes
  2. Common Ownership or Control: Are the facilities under common ownership or control? Yes
  3. Contiguous or Adjacent: Are the facilities located on one or more contiguous or adjacent properties? Yes

3. Is the source, as described in the application, the entire source for 20.2.70, 20.2.72, 20.2.73, or 20.2.74 NMAC applicability purposes? Yes

1. **PSD Applicability:**
2. The source, as determined in 3.0 above, is an existing PSD Major Source that has had a major modification requiring a BACT analysis.
3. The project emissions for this modification are significant.
4. Netting was not done for this action as there were no contemporaneous decreases.
5. The original application based the proposed project annual emissions on increases due to the turbine upgrade and increase in operating hours from 8400 hours per year to 8760 hours per year. That PSD applicability analysis showed that the PSD Significant Emission Rates (SER) were exceeded only for particulate emissions (TSP/PM10/PM2.5) and CO2e. However, the 8400 operating hours limit per year was included in permit PSD3449-M2 issued 9-5-2014 to maintain emissions below the PSD Significant Emission Rates (SER) for the project authorized under PSD3449-M2. Relaxing the operating hours restriction therefore triggered a retroactive PSD applicability determination under 20.2.74.300.D NMAC, which states: “If a source or modification becomes a major stationary source or major modification solely due to a relaxation in any enforceable limitation (which limitation was established after August 7, 1980), on the capacity of the source or modification otherwise to emit a pollutant, such as a restriction on hours of operation, then this part shall apply to the source or modification as though construction had not yet commenced.”
6. The retroactive PSD applicability assumed that the 2014 project did not include the operating hours restriction. Without that restriction, the 2014 project would have triggered a BACT review for NOx and SO2 as well as for particulate emissions (TSP/PM10/PM2.5) and CO2e. The applicant submitted a revised BACT that reassessed the BACT for NOX, SO2, particulate emissions (TSP/PM10/PM2.5), and CO2e. The BACT analysis is only for the turbines (HOBB-1 and HOBB-2) and duct burners (DB-1 and DB-2) because these are the only units included in both those projects. The BACT review concluded that the existing BACT still represents BACT for these units.

1. **History (In descending chronological order, showing NSR and TV):** \*The asterisk denotes the current active NSR and Title V permits that have not been superseded.

| **Permit Number** | **Issue Date** | **Action Type** | **Description of Action (Changes)** |
| --- | --- | --- | --- |
| PSD3449M4 | Current action | PSD Major Modification | This modification consists of removing the operating hours restriction for the turbines allowing them to run 8760 hours per year. This modification also increases emission limits for the turbines resulting from an upgrade to the turbines. This modification also redesignates the Total Suspended Particulates (TSP) limits as Particulate Matter (PM) limits due to the revision to 20.2.3 NMAC to repeal the TSP NMAAQS effective November 30, 2018.  Relaxing the operating hours restriction triggered a retroactive PSD applicability review, so this action included a review of the BACT for NOx, SO2, TSP, PM10, PM2.5, and CO2e. The review concluded that the existing BACT is still BACT for these units and pollutants |
| PSD3449M4 | July 11, 2016 | PSD Minor Modification | Increase lb/hr limits for CO and VOC for units HOBB-1 and HOBB-2. The VOC ppmvd BACT limit was increased because the value initially permitted did not match the equipment capabilities. The change to the VOC ppmvd BACT limit did not result in an increase in emissions, and the changes to lb/hr emissions of CO and VOCs did not increase the ton per year emissions, therefore this was not a PSD permitting action. See the VOC SSM secondary BACT determination in the Statement of Basis for this permitting action (PSD3449M4) for more details. |
| PSD3449M3 | 10/8/15 | PSD Minor Modification | Increase NOx, CO, PM10 and PM2.5 from FP-1 and G-1, and increase TSP, PM10 and PM2.5 from AC-1, AC-2, AC-3, IC-1, IC-2, and IC-3.  Add a new 500 gallon gasoline tank, a 500 gallon diesel tank, and a 100 gallon diesel tank, all of which are NSR exempt sources (< 0.5 tpy VOCs). The facility is an existing PSD source but the project emissions are not significant because the changes in emission rates are not due to a change in the method of operations or a modification. Neither netting nor a BACT analysis are required. |
| PSD 3449M2 | 9/5/14 | PSD Minor Modification | Modification of the two combustion turbines resulting in an approximate 6% increase in output power and a significant increase (>75,000 tpy) in GHG emissions as CO2e. The modification (project) did not result in a PSD significant emissions increase for any other pollutant other than GHGs.  A CO2e BACT had been proposed in the draft permit for Units Hobb-1/DB-1 and Hobb-2/DB-2. However, due to the June 23, 2014 U.S. Supreme Court ruling No. 12-1146, the GHG BACT was no longer required and so was removed from the final permit.  Also added were SSM mass limits for NOx, CO and VOCs that were erroneously omitted from previous permits and a VOC SSM BACT limit that should have been included in the previous PSD permitting action. |
| \*P244M4 | 9/6/13 | Administrative Revision | Minor correction to Table 104 (Regulated Equipment) |
| P244M3 | 2/5/13 | Significant Modification | Incorporate changes authorized by PSD3449M1. |
| PSD 3449M1 | 9/23/11 | PSD Minor Modification | The current limit for ammonia emissions from each turbine/duct burner/SCR is 5 parts per million on a dry, volumetric basis corrected to 15% oxygen (5 ppmvd @ 15% O2). In May 2011, LPP requested that the New Mexico Environment Department Air Quality Bureau (NMED AQB) allow an ammonia emission level based 10 ppmvd @ 15% O2. With this application, LPP proposes to revise the ammonia emissions limit from turbine/duct burner / SCR to the pound per hour and ton per year emission rates shown in Table 2-I to align these emissions with the expected performance of the existing pollution controls while providing adequate margin for compliance. Only the pph and tpy rates will be allowable limits based on a 10 % ammonia slip. The percent of slip will not be a separate limit.  The proposed modification will consist of revising the ammonia emissions from each of the two turbine/duct burner/SCR from 5 ppmvd @ 15% O2 to 10 ppmvd @ 15% O2 to align these emissions with the expected performance of the existing pollution controls while providing an adequate margin for compliance; no physical changes to any emission source at the facility are proposed. |
| P244M2 | 8/3/11 | Minor Modification | Incorporate changes authorized by PSD3449R6 once it is issued. |
| PSD 3449R6 | 5/16/11 | Technical Revision | This technical revision pursuant to 20.2.72.219.B.1.e. NMAC is to adjust the TSP/PM10 lb/MMBtu permit limit of 0.015 for the combustion turbines operating with (0.0089 lb/MMBtu) or without duct burners (0.0071 lb/MMBtu) to align with the TSP/PM10 lb/hr and tpy permit limits based on recent performance test results. The revision will not result in an increase of emissions. The proposed revision also satisfies the requirement of PSD Permit 3449, Condition 2.e (to be removed) based on the results of the most recent performance test.  Converted NSR Permit to New Format to match Title V permit.  PSD Major with BACT and this action is a minor modification. |
| P244M1 | 3/28/11 | Administrative Revision | The New Mexico Environment Department has found the need to correct/clarify the reporting schedules required in Condition A109.A and B of Permit P244 issued on January 28, 2011. |
| P244  \*P244A-R1 | 1/28/11 | Title V New Permit, renewal of Acid Rain | New Title V Permit to bring in requirements from PSD Permit 3449 and Administrative Revisions R1-R5 and the Acid Rain Permit P244A. The new permit template is used.  Renewed Acid Rain Permit early to synchronize the issue date with the Title V permit. |
| 3449-R5 | 12/10/10 | Technical Revision | Updated equipment capacities for the two Duct Burners, Units DB-1 and DB-2 from 300 MMBtu/h to 330 MMBtu/h in Table 1.1, Regulated Equipment List. Change required after shack down of facility to determine proper operational parameters. Change had minimum increase in actual emission rates and no increase in permitted allowable limits were necessary. |
| 3449-R4 | 9/3/09 | Administrative Revision | Updated Company Officials. |
| 3449-R3 | 9/2/09 | Administrative Revision | Added some exempt equipment listed as Apex evaporation devices. |
| 3449-R2 | 4/25/08 | Administrative Revision | Updated equipment model/serial numbers, equipment locations, equipment capacities, and the addition of the following exempt equipment: FH-3, IC-3, and AC-3.”  Note as of 12/1/10 by Joe Kimbrell: exemption does not apply to PSD actions, therefore these three units were added to regulated equipment list and emission limit table with no increase in emission limits. |
| 3449-R1 | 3/25/08 | Administrative Revision | Revised for clarification Condition 1.h to read: “The facility shall not store or use aqueous ammonia in concentrations greater than 19% in SCR-1 and SCR-2. However, if aqueous ammonia in concentrations greater than 20% is utilized, storage shall be limited to 20,000 pounds.” |
| P244A | 3/19/08 | Acid Rain Permit | New Acid Rain Permit issued for Units HOBB-1 and HOBB-2. |
| 3449 | 3/29/07 | PSD New Permit | The construction of this facility was a PSD Significant Project and full PSD review was accomplished and BACT was established. |

1. **Public Response/Concerns:**  As of the current date, no public comments have been received. The public notice published in the Hobbs news Sun on 11/22/18. The application and preliminary determination were also posted to the AQB website on11/21/18.
2. **Compliance Testing History:**

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| --- | --- | --- | --- | --- |
| **Unit No.** | **Permit No.** | **Permit Cond.** | **Test Description** | **Test Date** |
| HOBB-1/DB-1 | PSD 3449-M2 | A401A | Initial Compliance for PM/PM10/PM2.5 | 3/5/2015 - 3/6/2015 |
| A401C | RATA testing in accordance with EPA test methods for NOx and CO. | 9/23/2015  9/17/2014 |
| A401E | Annual ammonia compliance testing. | 9/23/2015-  9/24/2015  9/17/2014 |
| PSD 3449-M1 | A401C | RATA testing in accordance with EPA test methods for NOx and CO. | 11/13/2013  11/7/2012  11/30/2011 |
| A401A | Annual stack testing for NOx and CO. | 11/13/2013  11/7/2012  11/30/2011 |
| A401E | Annual ammonia compliance testing. | 11/13/2013  11/7/2012  11/30/2011 |
| HOBB-2/DB-2 | PSD 3449-M2 | A401A | Initial Compliance for PM/PM10/PM2.5 | 3/11/2015 - 3/12/2015 |
| A401C | RATA testing in accordance with EPA test methods for NOx and CO. | 9/23/2015-  9/24/2015  9/16/2014 |
| A401E | Annual ammonia compliance testing. | 9/25/2015-  9/27/2015  9/16/2014 |
| PSD 3449-M1 | A401C | RATA testing in accordance with EPA test methods for NOx and CO. | 11/14/2013  11/8/2012  12/1/2011 |
| A401A | Annual stack testing for NOx and CO. | 11/14/2013  11/8/2012  12/1/2011 |
| A401E | Annual ammonia compliance testing. | 11/14/2013  11/8/2012  12/1/2011 |
| HOBB1 | PSD 3449-M2 | A401A | Initial Compliance for PM/PM10/PM2.5 | 9/29/2015-  10/1/2015 |
| HOBB2 | PSD 3449-M2 | A401A | Initial Compliance for PM/PM10/PM2.5 | 9/29/2015-  10/1/2015 |
| G-1 | PSD 3449-M2 | A111 B | Opacity test. | 9/24/2015  9/17/2014 |
| PSD 3449-M1 | A111 B | Opacity test. | 11/12/2013  11/6/2012  11/29/2011 |
| FP-1 | PSD 3449-M2 | A111 B | Opacity test. | 9/24/2015  9/17/2014 |
| PSD 3449-M1 | A111 B | Opacity test. | 11/12/2013  11/6/2012  11/29/2011 |

1. **Startup and Shutdown:** 
   1. If applicable, did the applicant indicate that a startup, shutdown, and emergency operational plan was developed in accordance with 20.2.70.300.D(5)(g) NMAC? No
   2. If applicable, did the applicant indicate that a malfunction, startup, or shutdown operational plan was developed in accordance with 20.2.72.203.A.5 NMAC? Yes
   3. Did the applicant indicate that a startup, shutdown, and scheduled maintenance plan was developed and implemented in accordance with 20.2.7.14.A and B NMAC? Yes
   4. Were emissions from startup, shutdown, and scheduled maintenance operations calculated and included in the emission tables? Yes
2. **Compliance and Enforcement Status:** No outstanding enforcement actions (Jon Lutz,4/6/2016)
3. **Modeling:** Pre-construction monitoring is waived because the facility is close to Hobbs monitors. For this permit, modeling was required for the following pollutants: Nitrogen Dioxide (NO2), ozone (O3), Particulate Matter (2.5 microns or less) (PM2.5), and Sulfur Dioxide (SO2). The revised modeling report from Eric Peters was based on the revised modeling submitted by the applicant. The revised modeling report (Eric Peters, 11/14/18) concluded that the modeling analysis demonstrates that operation of the facility described in this report neither causes nor contributes to any exceedances of applicable air quality standards. The standards relevant at this facility are NAAQS for NO2, PM2.5, and SO2; NMAAQS for NO2, and SO2; and Class I and Class II PSD increments for NO2, and SO2.
4. **State Regulatory Analysis(NMAC/AQCR**)**:**

| **20**  **NMAC** | **Title** | **Applies**  **(Y/N)** | **Comments** |
| --- | --- | --- | --- |
| **2.3** | Ambient Air Quality Standards | Y | 20.2.3 NMAC is a SIP approved regulation that limits the maximum allowable concentration of Total Suspended Particulates, Sulfur Compounds, Carbon Monoxide and Nitrogen Dioxide.  20.2.3.9 NMAC, LIMITATION OF APPLICABILITY TO 20.2.70 NMAC. The requirements of this part are not applicable requirements under 20.2.70 NMAC, as defined by that part. This section does not limit the applicability of this part to sources required to obtain a permit under 20.2.72 NMAC, nor does it limit which terms and conditions of permits issued pursuant to 20.2.72 NMAC are applicable requirements for permits issued pursuant to 20.2.70 NMAC. |
| **2.7** | Excess Emissions During Malfunction | Y | Applies to all facilities’ sources |
| **2.33** | Gas Burning Equipment – Nitrogen Dioxide | Y | This facility does have gas burning equipment (external combustion emission sources, such as gas fired boilers and heaters) having a heat input of greater than 1,000,000 million British Thermal Units per year per unit. Units DB-1 and DB-2. |
| **2.61** | Smoke and Visible Emissions | Y | Applies to all owner or operators of stationary combustion equipment, HOBB-1, HOBB-2, DB-1, DB-2, FH-1, FH-2, FH-3, G-1 and FP-1 |
| **2.70** | Operating Permits | Y | PTE is > 100 TPY for NOX, TSP, PM10, and CO.  PTE is > 100,000 TPY for CO2e |
| **2.71** | Operating Permit Fees | Y | PTE is > 100 TPY for NOX, TSP, PM10, and CO. |
| **2.72** | Construction Permits | Y | Section 200.A.1 is applicable. |
| **2.73** | NOI & Emissions Inventory Requirements | Y | Applicable to all facilities that require a permit.  PER > 10 tpy for a criteria pollutant |
| **2.74** | Permits-Prevention of Significant Deterioration | Y | Source is one of the 28 listed – PTE > 100 tpy for NOX, TSP, PM10, and CO. PSD Permit 3449. |
| **2.75** | Construction Permit Fees | Y | Subject to 20.2.72 NMAC. |
| **2.77** | New Source Performance | Y | Applies to Hobb-1, Hobb-2, DB-1, DB-2 and G-1.  40 CFR 60 Subpart KKKK is applicable because the turbines have a peak load equal to or greater than 10.7 gigajoules/hr. This rule also applies to the associated HRSG & duct burners. Because Subpart KKKK applies, the turbines are exempt from the requirements of Subpart GG.  G-1 (standby generator) is subject to Subpart IIII.  The GHG revisions to Subpart Da and KKKK were proposed on June 18, 2014. The proposed revisions for modified or reconstructed sources are not applicable to these units since the Facility entered into a contract for the modification to the Gas Turbines in March 2014 and therefore Commenced modification prior to the proposal date of the GHG amendments. |
| **2.82** | MACT Standards for Source Categories of HAPs. | Y | G-1 and FP-1 are now subject to Subpart ZZZZ requirements (MACT with Area Source requirements). G-1 meets Subpart ZZZ through compliance with 40 CFR 60 Subpart IIII. T-9 is subject to 40 CFR 63 Subpart CCCCCC. |
| **2.84** | Acid Rain Permits | Y | This regulation applies to Units HOBB-1 and HOBB-2 which are subject to the requirements of 40 CFR 72. Acid Rain Permit P244A was issued for this source on March 19, 2008. |

1. **Federal Regulatory Analysis:**

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| --- | --- | --- | --- | --- |
| **Air Programs Subchapter C**  **(40 CFR 50)** | **National Primary and Secondary Ambient Air Quality Standards** | **Applies**  **(Y/N)** | **Unit(s) or Facility** | **Comments** |
| C | Federal Ambient Air Quality Standards | Yes | Facility | Independent of permit applicability; applies to all sources of emissions for which there is a Federal Ambient Air Quality Standard. |

| **NSPS Subpart**  **(40 CFR 60)** | **Title** | **Applies**  **(Y/N)** | **Unit(s) or Facility** | **Comments** |
| --- | --- | --- | --- | --- |
| A | General Provisions | Y | HOBB-1/DB-1, HOBB-2/DB-2 & G-1 | Applies if any other subpart applies and IIII and KKKK applies |
| 40 CFR60.40a, Subpart Da | Standards of Performance for Electric Utility Steam Generating Units, | N | DB-1 and DB-2 | Not applicable. Emissions from the HRSG duct  burners are subject to 40 CFR 60 Subpart KKKK and therefore are exempt from the requirements of Subpart Da. |
| 40 CFR 60, Subpart Kb | Standards of Performance for Storage Vessels for Volatile Organic Liquid Storage Vessels for Which Construction, Reconstruction, or Modification Commenced **After** July 23, 1984 | N |  | Not applicable. Hobbs does not have storage vessels with a capacity greater than or equal to 75 cubic meters that is used to store volatile organic liquids (VOL) for which construction, reconstruction, or modification is commenced after July 23, 1984. |
| 40 CFR 60.330 Subpart GG | Stationary Gas Turbines | N | HOBB-1, HOBB-2 | HOBB-1 and HOBB-2 were constructed after the applicability end date of this regulation which is the applicability date of February 18, 2005, for Subpart KKKK. |
| 40 CFR Part 60 Subpart IIII (Quad-I) | Standards of Performance for Stationary Compression Ignition Internal Combustion Engines | Y | G-1 | Hobbs Diesel Standby Generator (G-1) was manufactured after July 1, 2006 and is not a fire pump engine. Therefore, this unit is subject to the provisions of NSPS IIII, (§60.4200(a)(2)(i)). Hobbs Diesel Fire Water Pump (FP-1), was manufactured and constructed in 2001, before all applicable trigger dates in the rule; therefore, it is not subject to NSPS IIII. |
| NSPS  40 CFR 60 Subpart  OOOO | Crude Oil and Natural Gas Production, Transmission, and Distribution | N |  | Not applicable. Hobbs is not a Crude Oil and Natural Gas Production, Transmission and Distribution facility. |
| 40 CFR Part 60 Subpart KKKK | Standards of Performance for Stationary Combustion Turbines | Y | HOBB-1/DB-1 & HOBB-2/DB-2 | HOBB-1 and HOBB-2 are stationary combustion  turbines with a heat input at peak load greater than 10 MMBtu/hr (HHV) and commenced construction after February 18, 2005. Therefore ,the units are subject to the provisions of NSPS KKKK. The HRSG duct burners (DB-1 & DB-2), although their peak heat input is not accounted for in the applicability test, are subject to the provisions of NSPS KKKK. The GHG revisions to Subpart Da and KKKK were proposed on June 18, 2014. The proposed revisions for modified or reconstructed sources are not applicable to these units. The Facility entered into a contract for the modification to the Gas Turbines in March 2014 and therefore Commenced modification prior to the proposal date of the GHG amendments. |
| 40 CFR Part 60 Subpart UUUU | Emission Guidelines for Greenhouse Gas Emissions and Compliance Times for Electric Utility Generating Units | Y | None | This subpart requires **states** to develop a plan and emission limits for EGUs. Hobbs appears to fit the definition of an affected EGU under 60.5845(b) |

| **NESHAP Subpart**  **(40 CFR 61)** | **Title** | **Applies**  **(Y/N)** | **Unit(s) or Facility** | **Comments** |
| --- | --- | --- | --- | --- |
| A | General Provisions | N |  | Applies if any other subpart applies and no subparts apply. |

| **MACT Subpart**  **(40 CFR 63)** | **Title** | **Applies**  **(Y/N)** | **Unit(s) or Facility** | **Comments** |
| --- | --- | --- | --- | --- |
| A | General Provisions | Yes | G-1 & FP-1 | Applies if any other subpart applies and ZZZZ and CCCCCC apply |
| 40 CFR 63 Subpart ZZZZ (Quad Z) | National Emissions Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines (RICE MACT) | Y | G-1 & FP-1 | Hobbs Diesel Standby Generator (G-1) is a new  (emergency) stationary RICE at an area source of  HAPs. Per §63.6590(c)(1), G-1 must meet the  requirements of MACT ZZZZ by meeting the  requirements of NSPS IIII. Hobbs Diesel Fire Water Pump (FP-1) is an existing emergency RICE at an area source of HAPs and must  comply with the requirements of MACT ZZZZ as of May 3, 2013. |
| 40 CFR 63 Subpart DDDDD | National Emission Standards for Hazardous Air Pollutants for Major Sources: Industrial, Commercial, and Institutional Boilers and Process Heaters | N |  | Hobbs Generating Station is not a major source of HAPs as defined under 63.2 |
| 40 CFR 63 Subpart UUUUU | National Emission Standards for Hazardous Air Pollutants: Coal- and Oil-Fired Electric Utility Steam Generating Units | N |  | Hobbs Generating Station does not own or operate coal- and oil-fired electric utility steam generating units (EGUs). All units are natural gas fired except for diesel standby/emergency units |
| 40 CFR 63 Subpart CCCCCC | National Emission Standards for Hazardous Air Pollutants for Source Category: Gasoline Dispensing Facilities | N, (Y for Title V only) | T-9 | The affected source is located at an area source of HAPs. The proposed gasoline storage tank (T-9) will have a monthly throughput of less than 10,000 gallons of gasoline, and therefore, T-9 must comply with the requirements in §63.11116, which include but are not limited to: (1) minimize gasoline spills; (2) clean up spills as expeditiously as practicable; (3) cover all open gasoline containers and all gasoline storage tank fill-pipes with a gasketed seal when not in use; and (4) minimize gasoline sent to open waste collection systems. T-9 is exempt under NSR but will have requirements under Title V. |
| 40 CFR 63 Subpart JJJJJJ | National Emission Standards for Hazardous Air Pollutants for Industrial, Commercial, and Institutional Boilers Area Sources | N |  | Hobbs Generating Station is an area source of HAPs as defined under 63.2. Hobbs does not have any boilers as defined under 63.11237; process heaters are excluded from the definition of boiler under this subpart. |

| **Miscellaneous** | **Title** | **Applies**  **(Y/N)** | **Unit(s) or Facility** | **Comments** |
| --- | --- | --- | --- | --- |
| 40 CFR 64 | Compliance Assurance Monitoring | N | HOBB-1/DB-1 & HOBB-2/DB-2 | Hobbs CTGs/HRSG exhaust stacks are equipped with CEMS that satisfy CAM exemption requirements (§64.2(b)(1)(vi)). |
| 40 CFR 68 | Chemical Accident Prevention | N |  | Not applicable. Hobbs does not manufacture,  process, use, store, or otherwise handle regulated substances in excess of the quantities specified in §68.130. |
| 40 CFR 70 | Title V- State Operating Permit Programs | N/A |  | Operating Permit Program – is not applicable – New Mexico State has full delegated authority and Title V is administered under 20.2.70 NMAC. |
| 40 CFR 72 | Title IV – Acid Rain | Y | HOBB-1/DB-1 & HOBB-2/DB-2 | (a) Each of the following units shall be an affected unit, and any source that includes such a unit shall be an affected source, subject to the requirements of the Acid Rain Program: (1) A unit listed in table 1 of §73.10(a) of this chapter.(2) A unit that is listed in table 2 or 3 of §73.10 of this chapter and any other existing utility unit, except a unit under paragraph (b) of this section |
| 40 CFR 73 | Title IV – Acid Rain  Sulfur Dioxide Allowance Emissions | Y | HOBB-1/DB-1 & HOBB-2/DB-2 | The following parties shall be subject to the provisions of this part:  (a) Owners, operators, and designated representatives of affected sources and affected units pursuant to §72.6 of this chapter; (b) Any new independent power producer as defined in section 416 of the Act and §72.2 of this chapter, except as provided in section 405(g)(6) of the Act; (c) Any owner of an affected unit who may apply to receive allowances under the Energy Conservation and Renewable Energy Reserve Program established in accordance with section 404(f) of the Act;(d) Any small diesel refinery as defined in §72.2 of this chapter, and (e) Any other person, as defined in §72.2 of this chapter, who chooses to purchase, hold, or transfer allowances as provided in section 403(b) of the Act |
| Title IV – Acid Rain  40 CFR 75 | Continues Emission Monitoring (CEM) | Y | HOBB-1/DB-1 & HOBB-2/DB-2 | Hobbs CTG/HRSG exhaust stack is equipped with a CEMS for NOx, CO and O2. |
| Title IV – Acid Rain  40 CFR 76 | Acid Rains Nitrogen Oxides Emission Reduction Program | N |  | Facility does not burn coal and is thus not subject to this regulation. |
| Title VI –  40 CFR 82 | Protection of Stratospheric Ozone | Y | Facility | Hobbs equipment includes appliances containing CFCs and is therefore subject to the requirements of 40 CFR 82. Hobbs uses only certified technicians for the maintenance, service, repair and disposal of these appliances and maintains the appropriate records. |

1. **Exempt and/or Insignificant Equipment that do not require monitoring**:

**NSR Exempt Equipment** (not entered into Tempo database)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Unit Number** | **Source Description** | **Manufacturer** | **Model No.** | **Max Capacity** | **List Specific 20.2.72.202 NMAC Exemption (e.g. 20.2.72.202.B.5)** |
|
| **Serial No.** | **Capacity Units** | **Insignificant Activity citation  (e.g. IA List Item #1.a)** |
|
| T-1 | Diesel Day Tank - Firewater Pump | unknown | unknown | 300 gal | 20.2.72.202.B(2) |
| unknown | 300 gal |  |
| T-2 | Diesel Day Tank - Standby Generator | unknown | unknown | 1,250 gal | 20.2.72.202.B(2)(a) |
| unknown | 1,250 gal |  |
| T-3 | Ammonia Tank | unknown | unknown | 9,000 gal | 20.2.72.402.C.9 |
| unknown | 9,000 gal |  |
| T-4 | Caustic Bulk Storage Tank | unknown | unknown | 7,000 gal | 20.2.72.402.C.9 |
| unknown | 7,000 gal |  |
| T-5 | Acid Bulk Storage Tank | unknown | unknown | 7,000 gal | 20.2.72.402.C.9 |
| unknown | 7,000 gal |  |
| T-6 | Neutralization Tank | unknown | unknown | 50,000 gal | 20.2.72.402.C.9 |
| unknown | 50,000 gal |  |
| AE-1 | Apex evaporation devices | unknown | unknown | unknown | 20.2.72.402.C.9 |
| unknown | unknown |  |
| T-7 | Diesel Tank | TBD | TBD | 500 gal | 20.2.72.202.B(2) |
| TBD | 500 gal |  |
| T-8 | Diesel Tank | TBD | TBD | 100 gal | 20.2.72.202.B(2) |
| TBD | 100 gal |  |
| T-9 | Gasoline Tank | TBD | TBD | 500 gal | 20.2.72.202.B(5) |
| TBD | 500 gal |  |

Minor NSR exemptions and Title V insignificant activities do not apply to PSD determinations.

1. **New/Modified/Unique Conditions**
2. The TSP NMAAQS was repealed effective 11/21/18. PSD Permits must include particulate matter (PM) because it is a Regulated New Source Review Pollutant under PSD (20.2.74.7.AS(2) NMAC). TSP emission limits in this permit have therefore been redesignated as PM limits; the emission limit values have not changed.
3. A100A: updated to current permit number
4. A100B: Added fee requirement.
5. A100C: Added description of modification
6. Tables 102A and B: Revised emission totals and table header
7. Table A104 added modified 2018 for turbines
8. Table 106 A increased emission for NOx tpy, CO tpy, VOC lb/hr and tpy, so2 lb/hr and tpy, PM lb/hr and tpy.
9. Deleted condition A108B (restriction on hours of operation)
10. **Permit specialist’s notes to other NSR or Title V permitting staff concerning changes and updates to permit conditions.**
    1. The TSP NMAAQS was repealed effective 11/21/18. PSD Permits must include particulate matter (PM) because it is a Regulated New Source Review Pollutant under PSD (20.2.74.7.AS(2) NMAC). TSP emission limits in this permit have therefore been redesignated as PM limits; the emission limit values have not changed.
    2. Retroactive PSD applicability determination: The original application based the proposed project annual emissions on increases due to the turbine upgrade and increase in operating hours from 8400 hours per year to 8760 hours per year. That PSD applicability analysis showed that the PSD Significant Emission Rates (SER) were exceeded only for particulate emissions (TSP/PM10/PM2.5) and CO2e. However, the 8400 operating hours limit per year was included in permit PSD3449-M2 issued 9-5-2014 to maintain emissions below the PSD Significant Emission Rates (SER) for the project authorized under PSD3449-M2. Relaxing the operating hours restriction therefore triggered a retroactive PSD applicability determination under 20.2.74.300.D NMAC. The retroactive PSD applicability assumed that the 2014 project did not include the operating hours restriction. Without that restriction, the 2014 project would have triggered a BACT review for NOx and SO2 as well as for particulate emissions (TSP/PM10/PM2.5) and CO2e. The applicant submitted a revised BACT that reassessed the BACT for NOX, SO2, particulate emissions (TSP/PM10/PM2.5), and CO2e. The BACT analysis is only for the turbines (HOBB-1 and HOBB-2) and duct burners (DB-1 and DB-2) because these are the only units included in both those projects.
    3. The BACT determination is available as a separate document. AQB reviewed the applicant BACT analysis and concluded that the existing BACT for units HOBB- and HOBB-2 (and their duct burners) still represents BACT for these units.