

CLARK COUNTY
DEPARTMENT OF AIR QUALITY
4701 West Russell Road, Suite 200, Las Vegas, Nevada 89118
Part 70 Operating Permit
Source: 1550
Issued in accordance with the
Clark County Air Quality Regulations (AQR)

ISSUED TO: Nevada Power Company, dba NV Energy, Walter M. Higgins III Generating Station

SOURCE LOCATION:
1275 East Primm Boulevard
Primm, Nevada 89019
T27S, R59E, Section 10
Hydrographic Basin Number: 164A

COMPANY ADDRESS:
P.O. Box 98910
Las Vegas, Nevada 89151

NATURE OF BUSINESS:
SIC Code 4911: Electric Services
NAICS: 221112: Fossil Fuel Electric Power Generation

RESPONSIBLE OFFICIAL:
Name: Kevin Geraghty
Title: Vice President, Power Generation
Phone: (702) 402-5662
Fax Number: (702) 402-0835

Permit Issuance Date: January 5, 2016

Expiration Date: January 4, 2021

ISSUED BY: CLARK COUNTY DEPARTMENT OF AIR QUALITY



Richard D Beckstead
Permitting Manager, Department of Air Quality

EXECUTIVE SUMMARY

Walter M. Higgins III Generating Station is an electric power generating plant located at 1275 East Primm Boulevard, Primm, Nevada 89019 in the North Ivanpah Valley airshed, hydrographic basin number 164A which is designated as attainment for all pollutants.

The facility has a two-on-one combined cycle configuration. The two-on-one unit consists of two natural gas-fired stationary gas turbines (EUs: A01 and A03), two Heat Recovery Steam Generators (HRSGs) with natural gas fired duct burners (EUs: A02 and A04) for supplemental firing and a steam turbine generator. The facility also operates one natural gas-fired auxiliary boiler (EU: A05) and one emergency fire pump (EU: A06). All fuel-fired equipment, with the exception of the diesel-fired emergency fire water pump, uses pipeline quality natural gas as the sole fuel source.

All processes at the site are grouped under SIC 4911 – Electric Services and NAICS 221112 – Fossil Fuel Electric Power Generation.

The Part 70 Operating Permit was issued on November 8, 2005 and renewed on December 30, 2010. This Part 70 Operating Permit is proposed based on the Title V renewal application submitted on April 28, 2015.

Based on the information submitted by the applicant and a technical review performed by Air Quality staff, Air Quality proposes the renewal of a Part 70 Operating Permit to Nevada Power Company, Walter M. Higgins III Generating Station.

The following table summarizes the source PTE for each regulated air pollutant for all emission units addressed by this Part 70 Operating Permit:

Source PTE (tons per year)

| PM ₁₀ | PM _{2.5} | NO _x | CO | SO _x | VOC | HAP | GHG ¹ |
|------------------|-------------------|-----------------|--------|-----------------|-------|------|------------------|
| 144.91 | 144.91 | 158.58 | 194.04 | 10.44 | 43.53 | 7.21 | 2,218,704 |

¹GHG is expressed as CO₂e for information only.

Walter M. Higgins III Generating Station is a major source of PM₁₀, PM_{2.5}, NO_x and CO and a minor source of SO_x, VOC and HAP. Walter M. Higgins III is a source of GHG.

Pursuant to AQR 12.5.2, all terms and conditions in Sections I through VI and Attachments 1 and 2 in this permit are federally enforceable unless explicitly denoted otherwise.

TABLE OF CONTENTS

- I. ACRONYMS.....4**
- II. GENERAL CONDITIONS5**
 - A. General Requirements.....5
 - B. Modification, Revision, Renewal Requirements.....5
 - C. Reporting/Notifications/Providing Information Requirements5
 - D. Compliance Requirements7
 - E. Performance Testing Requirements8
- III. EMISSION UNITS AND APPLICABLE REQUIREMENTS.....10**
 - A. Emission Units10
 - B. Emission Limitations and Standards.....10
 - 1. Emission Limits10
 - 2. Operational Limits11
 - 3. Emission Controls12
 - C. Monitoring14
 - D. Testing15
 - E. Record Keeping15
 - F. Reporting17
 - G. Mitigation18
- IV. ACID RAIN REQUIREMENTS18**
- V. OTHER REQUIREMENTS18**
- VI. PERMIT SHIELD.....19**
- ATTACHMENT 120**
- ATTACHMENT 222**

I. ACRONYMS

Table I-1: List of Acronyms and Abbreviations

| Acronym | Term |
|-------------------|---|
| Air Quality | Clark County Department of Air Quality |
| AQR | Clark County Air Quality Regulations |
| ATC | Authority to Construct |
| CEMS | Continuous Emissions Monitoring System |
| CFR | United States Code of Federal Regulations |
| CO | Carbon Monoxide |
| CTG | Combustion Turbine-Generator |
| DLN | Dry Low-NO _x |
| EPA | United States Environmental Protection Agency |
| EU | Emission Unit |
| HAP | Hazardous Air Pollutant |
| HHV | Higher Heating Value |
| HP | Horse Power |
| kW | kilowatt |
| LHV | Lower Heating Value |
| MMBtu | Millions of British Thermal Units |
| M/N | Model Number |
| MW | Megawatt |
| NAICS | North American Industry Classification System |
| NO _x | Nitrogen Oxides |
| NRS | Nevada Revised Statutes |
| OP | Operating Permit |
| PM ₁₀ | Particulate Matter less than 10 microns |
| PM _{2.5} | Particulate Matter less than 2.5 microns |
| ppm | Parts per Million |
| ppmvd | Parts per Million, Volumetric Dry |
| PTE | Potential to Emit |
| RATA | Relative Accuracy Test Audits |
| RMP | Risk Management Plan |
| SCC | Source Classification Codes |
| scf | Standard Cubic Feet |
| SCR | Selective catalytic reduction |
| SIC | Standard Industrial Classification |
| SIP | State Implementation Plan |
| S/N | Serial Number |
| SO _x | Sulfur Oxides |
| VOC | Volatile Organic Compound |

II. GENERAL CONDITIONS

A. General Requirements

1. The Permittee shall comply with all conditions of the Part 70 Operating Permit. Any permit noncompliance may constitute a violation of the Clark County Air Quality Regulations, Nevada law, and the Clean Air Act and is grounds for the following: enforcement action; permit termination; revocation and reissuance; revision; or denial of a permit renewal application. *[AQR 12.5.2.6(g)(1)]*
2. If any term or condition of this permit becomes invalid as a result of a challenge to a portion of this permit, the other terms and conditions of this permit shall not be affected and shall remain valid. *[AQR 12.5.2.6(f)]*
3. The Permittee shall pay all permit fees pursuant to AQR Section 18. *[AQR 12.5.2.6(h)]*
4. The permit does not convey any property rights of any sort, or any exclusive privilege. *[AQR 12.5.2.6(g)(4)]*
5. The Permittee agrees to allow inspection of the premises, to which this permit relates, by the Control Officer at any time during the Permittee's hours of operation without prior notice. The Permittee shall not obstruct, hamper or interfere with any such inspection. *[AQR 4.3.3; AQR 4.9; AQR 5.1.1; AQR 12.5.2.8(b)]*
6. The Permittee shall allow the Control Officer, upon presentation of credentials to: *[AQR 4.3 and 12.5.2.8(b)]*
 - a. Have access to and copy any records that must be kept under the conditions of the permit;
 - b. Inspect any facilities, equipment (including monitoring and air pollution control equipment), practices, or operations regulated or required under the permit;
 - c. Sample or monitor substances or parameters for the purpose of assuring compliance with the permit or applicable requirements; and
 - d. Document alleged violations using devices such as cameras or video equipment.
7. Any Permittee who fails to submit any relevant facts or who has submitted incorrect information in a permit application shall, upon becoming aware of such failure or incorrect submittal, promptly submit such supplementary facts or corrected information. In addition, the Permittee shall provide additional information as necessary to address any requirements that become applicable to the source after the date it filed a complete application but prior to release of a draft permit. A responsible official shall certify the additional information consistent with the requirements of AQR Section 12.5.2.4. *[AQR 12.5.2.2]*
8. The Permittee who has been issued a permit under Section 12.5 shall post such permit in a location which is clearly visible and accessible to the facility's employees and representatives of the department. *[AQR 12.5.2.6(m)]*

B. Modification, Revision, Renewal Requirements

1. No person shall begin actual construction of a New Part 70 source, or modify or reconstruct an existing Part 70 source that falls within the preconstruction review applicability criteria, without first obtaining an ATC Permit from the Control Officer *[AQR 12.4.1.1(a)]*

2. The permit may be revised, revoked, reopened and reissued, or terminated for cause. The filing of a request by the Permittee for a permit revision, revocation, reissuance, or termination, or of a notification of planned changes or anticipated noncompliance does not stay any permit condition. *[AQR 12.5.2.6(g)(3)]*
3. A permit, permit revision, or renewal may be approved only if all of the following conditions have been met: *[AQR 12.5.2.10(a)]*
 - a. The Permittee has submitted to the Control Officer a complete application for a permit, permit revision, or permit renewal, except that a complete application need not be received before a Part 70 general permit is issued pursuant to Section 12.5.2.20; and
 - b. The conditions of the permit provide for compliance with all applicable requirements and the requirements of Section 12.5
4. The Permittee shall not build, erect, install or use any article, machine, equipment or other contrivance, the use of which, without resulting in a reduction in the total release of air contaminants to the atmosphere reduces or conceals an emission, which would otherwise constitute a violation of an applicable requirement. *[AQR 80.1 and 40 CFR 60.12]*
5. No permit revisions shall be required under any approved economic incentives, marketable permits, emissions trading and other similar programs or processes for changes that are provided for in the permit. *[AQR 12.5.2.6(i)]*
6. Permit expiration terminates the Permittee's right to operate unless a timely and complete renewal application has been submitted. *[AQR 12.5.2.11(b)]*
7. For purposes of permit renewal, a timely application is a complete application that is submitted at least six (6) months and not greater than eighteen (18) months prior to the date of permit expiration. If a source submits a timely application under this provision, it may continue operating under its current Part 70 Operating Permit until final action is taken on its application for a renewed Part 70 Operating Permit. *[AQR 12.5.2.1(a)(2)]*

C. Reporting/Notifications/Providing Information Requirements

1. The Permittee shall submit all compliance certifications to EPA and to the Control Officer. *[AQR 12.5.2.8(e)(4); AQR 21.4; AQR 22.4]*
2. Any application form, report, or compliance certification submitted to the Control Officer pursuant to the permit or AQRs shall contain certification by a responsible official of truth, accuracy, and completeness. This certification and any other certification required under AQR 12.5 shall state that, based on information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate, and complete. *[AQR 12.5.2.6(l)]*
3. The Permittee shall furnish to the Control Officer, within a reasonable time, any information that the Control Officer may request in writing to determine whether cause exists for revising, revoking and reissuing, or terminating the permit, or to determine compliance with the permit. Upon request, the Permittee shall also furnish to the Control Officer copies of records required to be kept by the permit, or, for information claimed to be confidential, the Permittee may furnish such records directly to the Administrator along with a claim of confidentiality. *[AQR 12.5.2.6(g)(5)]*
4. Upon request of the Control Officer, the Permittee shall provide such information or analyses as will disclose the nature, extent, quantity or degree of air contaminants which are or may be discharged by such source, and type or nature of control equipment in use, and the Control Officer may require such disclosures be certified by a professional engineer

registered in the state. In addition to such report, the Control Officer may designate an authorized agent to make an independent study and report as to the nature, extent, quantity or degree of any air contaminants which are or may be discharged from the source. An authorized agent so designated is authorized to inspect any article, machine, equipment, or other contrivance necessary to make the inspection and report. [AQR 4.4]

5. The Permittee shall submit annual emissions inventory reports based on the following: [AQR 18.6.1]
 - a. The annual emissions inventory must be submitted to Air Quality by March 31 of each calendar year; and
 - b. The report shall include the emission factors and calculations used to determine the emissions from each permitted emission unit, even when an emission unit is not operated.

D. Compliance Requirements

1. The Permittee shall not use as a defense in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this permit. [AQR 12.5.2.6(g)(2)]
2. Any person who violates any provision of the AQR, including, but not limited to, any application requirement; any permit condition; any fee or filing requirement; any duty to allow or carry out inspection, entry or monitoring activities or any requirements by Air Quality is guilty of a civil offense and shall pay civil penalty levied by the Air Pollution Control Hearing Board and/or the Hearing Officer of not more than \$10,000. Each day of violation constitutes a separate offense. [AQR 9.1; NRS 445B.640]
3. Any person aggrieved by an order issued pursuant to AQR Section 9.1 is entitled to review as provided in Chapter 233B of NRS. [AQR 9.12]
4. The Permittee shall comply with the requirements of 40 CFR 61, Subpart M, of the National Emission Standard for Asbestos for all demolition and renovation projects. [AQR 13.1(b)(8)]
5. The Permittee shall certify compliance with terms and conditions contained in the Part 70 Operating Permit, including emission limitations, standards, work practices, and the means for monitoring such compliance. [AQR 12.5.2.8(e)]
6. The Permittee shall submit compliance certifications annually in writing to the Control Officer (4701 West Russell Road, Suite – 200, Las Vegas, Nevada 89118) and the Administrator at USEPA Region IX (Director, Air and Toxics Divisions, 75 Hawthorne Street., San Francisco, California 94105). A compliance certification for each calendar year will be due on January 30th of the following year and shall include the following: [AQR 12.5.2.8(e)]
 - a. The identification of each term or condition of the permit that is the basis of the certification;
 - b. The identification of the methods or other means used by the Permittee for determining the compliance status with each term and condition during the certification period. The methods and means shall include, at a minimum, the monitoring and related recordkeeping and reporting requirements described in 40 CFR 70.6(a)(3). If necessary, the Permittee shall also identify any other material information that must be included in the certification to comply with Section 113(c)(2) of the Act, which prohibits knowingly making a false certification or omitting material information; and

- c. The status of compliance with the terms and conditions of the permit for the period covered by the certification, including whether compliance during the period was continuous or intermittent. The certification shall be based on the methods or means designated in subsection II.D.6(b). The certification shall identify each deviation and take it into account in the compliance certification. The certification shall also identify, as possible exceptions to compliance, any periods during which compliance is required and in which an excursion or exceedance, as defined under 40 CFR Part 64, occurred.
7. The Permittee shall report to the Control Officer (4701 West Russell Road, Suite – 200, Las Vegas, Nevada 89118) any startup, shutdown, malfunction, emergency or deviation which cause emissions of regulated air pollutants in excess of any limits set by regulation or by this permit. The report shall be in two parts as specified below: [AQR 12.5.2.6(d)(4)(B); AQR 25.6.1]
 - a. within twenty-four (24) hours of the time the Permittee learns of the excess emissions, the report shall be communicated by phone (702) 455-5942, fax (702) 383-9994, or email: airquality@clarkcountynv.gov; and
 - b. within seventy-two (72) hours of the notification required by paragraph (a) above, the detailed written report containing the information required by AQR Section 25.6.3 shall be submitted.
 8. The Permittee shall report to the Control Officer with the semiannual monitoring report all deviations from permit conditions that do not result in excess emissions, including those attributable to malfunction, startup, or shutdown. Reports shall identify the probable cause of each deviation and any corrective actions or preventative measures taken. [AQR 12.5.2.6(d)(4)(B)]
 9. The owner or operator of any source required to obtain a permit under Section 12 shall report to the Control Officer emissions that are in excess of an applicable requirement or emission limit that pose a potential imminent and substantial danger to public health, safety or the environment as soon as possible, but in no case later than twelve (12) hours after the deviation is discovered, with a written report submitted within two (2) days of the occurrence. [AQR 25.6.2]

E. Performance Testing Requirements

1. Upon request of the Control Officer, the Permittee shall test or have tests performed to determine the emissions of air contaminants from any source whenever the Control Officer has reason to believe that an emission in excess of that allowed by the Air Quality regulations is occurring. The Control Officer may specify testing methods to be used in accordance with good professional practice. The Control Officer may observe the testing. All tests shall be conducted by reputable, qualified personnel. [AQR 4.5]
2. Upon request of the Control Officer, the Permittee shall provide necessary holes in stacks or ducts and such other safe and proper sampling and testing facilities, exclusive of instruments and sensing devices, as may be necessary for proper determination of the emission of air contaminants. [AQR 4.6]
3. The Permittee shall submit for approval a performance testing protocol which contains testing, reporting, and notification schedules, test protocols, and anticipated test dates to the Control Officer (4701 West Russell Road, Suite 200, Las Vegas, Nevada 89118) not less than 45, nor more than 90 days prior to the anticipated date of the performance test, unless otherwise specified in Section III.D. [AQR 12.5.2.8]

4. The Permittee shall submit to EPA for approval any alternative test methods that are not already approved by EPA, to demonstrate compliance with a requirement under 40 CFR Part 60. *[40 CFR 60.8(b)]*
5. The Permittee shall submit a report describing the results of each performance test to the Control Officer within 60 days from the end of the performance test. *[AQR 12.5.2.8]*

III. EMISSION UNITS AND APPLICABLE REQUIREMENTS

A. Emission Units

1. The stationary source covered by this Part 70 OP consists of the emission units and associated appurtenances summarized in Table III-A-1. *[NSR ATC Modification 2, Revision 2, Section IV-A (04/09/10)]*

Table III-A-1: List of Emission Units

| EU | Description | Rating | Make | Model # | Serial # |
|-----|--|--------------|-------------------------|---------|-----------------|
| A01 | Stationary Gas Turbine, natural gas fired | 175 MW | Westinghouse | 501FD | --- |
| A02 | Duct Burner for HRSG associated with A01 | 700 MMBtu/hr | --- | --- | --- |
| A03 | Stationary Gas Turbine, natural gas fired | 175 MW | Westinghouse | 501FD | --- |
| A04 | Duct Burner for HRSG associated with A03 | 700 MMBtu/hr | --- | --- | --- |
| A05 | Auxiliary Boiler | 40 MMBtu/hr | English Boiler and Tube | 30DE250 | 22-007 |
| A06 | Emergency Diesel Fire Pump, DOM 1999, 265 hp | --- | Clarke | 8100 | 01-034838-01-01 |

Table III-A-2: Insignificant Units and Activities

| |
|--|
| Mobile combustion sources |
| Station maintenance activities |
| Maintenance shop activities (e.g. parts washers, sandblasters) |
| Steam cleaning operations |
| Diesel storage tank for the emergency fire pump |
| Lubrication oil sumps and vents |
| Ammonia storage and handling |

B. Emission Limitations and Standards

1. Emission Limits

- a. The Permittee shall not allow actual emissions from each emission unit to exceed the PTE listed in Table III-B-1 per any consecutive 12-month period. Tons-per-year emission limits of each emission unit include startup and shutdown emissions. *[NSR ATC Modification 2, Revision 2, Table IV-A-2, (04/09/10)]*

Table III-B-1: PTE, Including Startup and Shutdowns (tons per year)

| EU | PM ₁₀ | PM _{2.5} | NO _x | CO | SO _x | VOC |
|---------|------------------|-------------------|-----------------|-------|-----------------|-------|
| A01/A02 | 72.20 | 72.20 | 77.90 | 95.15 | 5.20 | 21.65 |
| A03/A04 | 72.20 | 72.20 | 77.90 | 95.15 | 5.20 | 21.65 |
| A05 | 0.50 | 0.50 | 1.80 | 3.70 | 0.03 | 0.20 |

- b. The Permittee shall not allow actual emissions from each emission unit to exceed the emission rates listed in Table III-B-2. NO_x and CO for the stationary gas turbine units shall not be exceeded for any three (3)-hour rolling average period as determined by

the CEMS. Pound-per-hour limits are normal operation (exclude startup and shutdown) limits only. [NSR ATC Modification 2, Revision 2, Table IV-A-3 (04/09/10)]

Table III-B-2: Emission Rates, Excluding Startup and Shutdowns (pounds per hour)

| EU | PM ₁₀ | PM _{2.5} | NO _x | CO | VOC |
|---------|------------------|-------------------|-----------------|-------|------|
| A01/A02 | 21.10 | 21.10 | 25.70 | 31.38 | 9.90 |
| A03/A04 | 21.10 | 21.10 | 25.70 | 31.38 | 9.90 |
| A05 | --- | --- | 1.44 | 2.96 | --- |

- c. The Permittee shall not allow actual emissions from each emission unit to exceed the emission rates listed in Table III-B-3, as determined by the CEMS or performance tests. The emission limits are normal operation (exclude startup and shutdown) limits only. [NSR ATC Modification 2, Revision 2, Table IV-A-5 (04/09/10)]

Table III-B-3: Emission Rates, Excluding Startup and Shutdown

| EU | Averaging Period | O ₂ Standard | NO _x (ppmvd) | CO (ppmvd) |
|---------|------------------|-------------------------|-------------------------|------------|
| A01/A02 | 3-Hour | 15% | 2.5 | 5.0 |
| A03/A04 | 3-Hour | 15% | 2.5 | 5.0 |
| A05 | 15-Minute | 3% | 30.0 | 100.0 |

2. Operational Limits

- a. The Permittee shall limit operation of each stationary gas turbine to the fuel limits listed in Table III-B-4: [NSR ATC Modification 2, Revision 2, Condition IV-A-3(a) (04/09/10)]

Table III-B-4: Fuel Limitations for Turbines

| Equipment | Fuel Type | Max. Hourly MMBtu | Max. Annual MMBtu per Any Consecutive 12-Month Period | Reference |
|-----------|-------------|--------------------|---|-----------------------------|
| A01/A03 | Natural Gas | 2,096 ¹ | 15,365,000 | Based on HHV of Natural Gas |

¹ Based on 100 percent load at 12 °F.

- b. Permittee shall limit operation of each duct burner unit to the fuel limits listed in Table III-B-5: [NSR ATC Modification 2, Revision 2, Condition IV-A-3(a) (04/09/10)]

Table III-B-5: Fuel Limitations for Duct Burners

| Equipment | Fuel Type | Max. Hourly MMBtu | Max. Annual MMBtu per Any Consecutive 12-Month Period | Reference |
|-----------|-------------|-------------------|---|-----------------------------|
| A02/A04 | Natural Gas | 700 ¹ | 2,145,000 | Based on HHV of Natural Gas |

¹ Based on 100 percent load at 108 °F

- c. The Permittee shall limit operation of each of the two duct burners (EUs: A02 and A04) to up to an equivalent of 3,064 hours equivalent full load at 108 °F at a maximum heat input per any consecutive 12-month period. [NSR ATC Modification 2, Revision 2, Condition IV-A-3(b) (04/09/10)]
- d. The Permittee shall limit the operation of the auxiliary boiler (EU: A05) to up to an equivalent of 2,500 hours equivalent full load at 67 °F at a maximum heat input per any consecutive 12-month period. [NSR ATC Modification 2, Revision 2, Condition IV-A-3(c) (04/09/10)]

- e. The Permittee shall limit the operation of the emergency fire pump (EU: A06) for testing and maintenance purposes to 100 hours per year. The Permittee may operate the fire pump up to 50 hours per year for nonemergency situations, but those hours count toward the 100 hours provided for testing and maintenance." *[Part 70 Operating Permit Renewal (4/28/2015), 40 CFR 63.6640(f)]*
- f. Startup shall be defined as the period beginning with ignition and lasting until a stationary gas turbine has reached a continuous and stable operating level and the catalyst has reached optimal operating temperature. Shutdown means the period beginning with the lowering of the electric load of a stationary gas turbine below 50 percent of nameplate capacity and ending when combustion has ceased. *[NSR ATC Modification 2, Revision 2, Condition IV-A-3(e) (04/09/10)]*

3. Emission Controls

Combined Cycle System

- a. The Permittee shall combust only pipeline quality natural gas in all stationary gas turbine units (EUs: A01-A04). *[NSR ATC Modification 2, Revision 2, Condition IV-B-1 (04/09/10)]*
- b. The Permittee shall install and operate SCR to control NO_x on each of the stationary gas turbine units. NO_x exhaust emissions shall be further controlled with dry low NO_x combustors and good combustion practice (EUs: A01-A04). *[NSR ATC Modification 2, Revision 2, Condition IV-B-2 (04/09/10)]*
- c. The Permittee shall operate each SCR system such that NO_x emissions shall not exceed the limitations listed in Tables III-B-2 and III-B-3, excluding periods of startup and shutdown. *[NSR ATC Modification 2, Revision 2, Condition IV-B-3 (04/09/10)]*
- d. The Permittee shall install and operate an oxidation catalyst to control CO and VOC on each stationary gas turbine unit (EUs: A01-A04). *[NSR ATC Modification 2, Revision 2, Condition IV-B-6 (04/09/10)]*
- e. The Permittee shall operate each oxidizing catalyst such that neither CO nor VOC emissions exceed the limitations listed in Tables III-B-2 and III-B-3, excluding periods of startup and shutdown. *[NSR ATC Modification 2, Revision 2, Condition IV-B-7 (04/09/10)]*
- f. The Permittee shall maintain and operate the SCR system and oxidation catalyst on each stationary gas turbine unit in accordance with manufacturer's specifications and good operating practices. SCR and oxidation catalyst controls shall be operated at all times the associated stationary gas turbine units are operating, excluding periods of startup and shutdown (EUs: A01-A04). *[NSR ATC Modification 2, Revision 2, Condition IV-B-8 (04/09/10)]*
- g. The Permittee shall control PM₁₀ exhaust emissions from each combined cycle system by properly maintaining and periodically replacing the inlet air filters preceding each stationary gas turbine. *[NSR ATC Modification 2, Revision 2, Condition IV-B-9 (04/09/10)]*
- h. Sulfur content of natural gas turbine fuel shall not exceed an average of 0.75 grains/100 dscf as determined by 40 CFR 60.334(h). *[NSR ATC Modification 2, Revision 2, Condition IV-C-12 (04/09/10)]*

Boiler

- i. The Permittee shall combust only natural gas in the boiler (EU: A05). *[NSR ATC Modification 2, Revision 2, Condition IV-B-14 (04/09/10)]*
- j. The Permittee shall operate and maintain the boiler in accordance with the manufacturer's specifications (EU: A05). *[NSR ATC Modification 2, Revision 2, Condition IV-B-15 (04/09/10)]*

Diesel Engine

- k. The Permittee shall operate the emergency fire pump with a turbocharger and an aftercooler and employ fuel injection timing retardation (EU: A06). *[NSR ATC Modification 2, Revision 2, Condition IV-B-18 (04/09/10)]*
- l. The Permittee shall operate and maintain the emergency fire pump engine in accordance with the manufacturer's emission-related operation and maintenance instructions (EU: A06). *[NSR ATC Modification 2, Revision 2, Condition IV-B-19 (04/09/10)]*
- m. The Permittee shall only combust diesel fuel in the emergency fire pump engine with a maximum sulfur content of 15 ppm and either a minimum cetane index of 40 or a maximum aromatic content of 35 percent by volume (EU: A06). *[NSR ATC Modification 2, Revision 2, Condition IV-B-20 (04/09/10)]*
- n. The Permittee shall comply with the following applicable requirements for the diesel emergency fire pump (EU: A06) contained in 40 CFR 63.6603:
 - 1. change the oil and filter every 500 hours of operation or annually, whichever comes first;
 - 2. inspect the air cleaner every 1,000 hours of operation or annually, whichever comes first;
 - 3. inspect all hoses and belts every 500 hours of operation or annually, whichever comes first; and
 - 4. install a nonresettable hour meter if one is not already installed.

Other

- o. The Permittee must comply with the control requirements contained in this section. If there is inconsistency between standards or requirements, the most stringent standard or requirement shall apply. *[NSR ATC Modification 2, Revision 2, Condition IV-B-22 (04/09/10)]*
- p. The Permittee and operator shall, under all conditions, maintain and operate the source in a manner consistent with good air pollution control practice for minimizing emissions as required by 40 CFR 60.11. *[NSR ATC Modification 2, Revision 2, Condition IV-B-24 (04/09/10)]*

C. Monitoring

1. The source is subject to 40 CFR 60 Subparts A, Da, Dc and GG; 40 CFR 63 Subpart ZZZZ; 40 CFR 70; 40 CFR 72 (Acid Rain Permits); 40 CFR 73 (Acid Rain Sulfur Dioxide Allowance System) and 40 CFR 75 (Acid Rain CEMS). It is the Permittee's responsibility to know and comply with all requirements within these federal regulations. *[NSR ATC Modification 2, Revision 2, Condition IV-C-1 (04/09/10)]*
2. To demonstrate continuous direct compliance with all emission limitations for NO_x and CO specified in this permit, the Permittee shall install, calibrate, maintain, operate, and certify CEMS for NO_x, CO, and O₂ on each stationary gas turbine unit in accordance with 40 CFR 75 and 40 CFR 60, as applicable. Each CEMS shall include an automated data acquisition and handling system. Each system shall monitor and record at least the following data: *[AQR 12.5.2.6(d)]*
 - a. exhaust gas concentrations of NO_x, CO, and diluent O₂ including periods of startup and shutdown;
 - b. exhaust gas flow rate (by direct or indirect methods);
 - c. fuel flow rate;
 - d. hours of operation;
 - e. 3-hour rolling averages of each NO_x and CO concentrations;
 - f. hourly and 12-month rolling accumulated mass emissions of NO_x and CO; and
 - g. hours of downtime of the CEMS.
3. The Quality Assurance Plan for all CEMS required by this permit has been submitted to and accepted by the Control Officer. This QA Plan is binding and consistent with the regulations. The QA Plan contains auditing schedules, reporting schedules, design specifications and other quality assurance requirements for the CEMS system. The CEMS shall conform to all provisions of 40 CFR 60.13 and 40 CFR 60, Subpart GG. Audit procedures shall conform to the provisions of 40 CFR 60, Appendix F. *[AQR 12.5.2.6(d)]*
4. The Permittee shall conduct relative accuracy test audits (RATA) of the CO, NO_x and O₂ CEMS at least annually. *[AQR 12.5.2.6(d)]*
5. The Permittee shall monitor visible emissions from the HRSG units (EUs: A02 and A04) using the applicable procedures found in 40 CFR 60.49Da(a). *[AQR 12.5.2.6 and 40 CFR 60.49Da(a)]*
6. The Permittee shall perform at least one visual emissions check on a plant-wide level each calendar quarter. The quarterly visual emissions checks shall include the diesel-fired fire pump (EU: A06), while operating, to demonstrate compliance with the opacity limit. If the fire pump does not operate during the calendar quarter, then no observation of that unit shall be required. If visible emissions are observed, then corrective actions shall be taken to minimize the emissions and, if practicable, the opacity of emissions shall be visually determined in accordance with 40 CFR 60 Appendix A: Reference Method 9. *[NSR ATC Modification 2, Revision 2, Condition IV-C-10 (04/09/10)]*
7. The Permittee shall verify compliance with turbine fuel gas sulfur content by using a gaseous fuel which meets the definition of natural gas as outlined in 40 CFR 60.331(u). The Permittee shall use one of the following sources of information to make the required demonstration: *[40 CFR 60.334(h)(3)]*

- a. The gas quality characteristics in a current, valid purchase contract, tariff sheet or transportation contract for the gaseous fuel, specifying that the maximum total sulfur content of the fuel in 20 grains/100 scf or less; or
 - b. Representative fuel sampling data which show that the sulfur content of the gaseous fuel does not exceed 20 grains/100 scf. At a minimum, the amount of fuel sampling data specified in section 2.3.1.4 or 2.3.2.4 of Appendix D to 40 CFR 75 is required.
8. The Permittee shall monitor the monthly fuel usage of the auxiliary boiler (EU: A05). [AQR 12.5.2.6(d) and 40 CFR 60, Subpart D_c]
 9. The Permittee shall perform a burner efficiency test two times each year on the 40 MMBtu/hr boiler in accordance with Air Quality's Guideline for Source Testing (EU: A05). A performance test conducted in accordance with Air Quality's Guideline for Source Testing may replace one burner efficiency test. [NSR ATC Modification 2, Revision 2, Condition IV-C-14 (04/09/10)]

D. Testing

1. Performance testing is subject to 40 CFR 60 Subpart A, Subpart D_c, 40 CFR 72 and Air Quality's Guideline for Source Testing. [AQR 14.1.b.40, AQR 14.1.b.3, AQR 14.1.b.5, AQR 12.5]
2. The Permittee shall conduct performance tests on the auxiliary boiler (EU: A05) for NO_x, CO and stack gas parameters in accordance with the test methods summarized in Table III-D-2 once every five years, within 90 days of the anniversary date of the last performance test. [NSR ATC Modification 2, Revision 2, Condition IV-D-9 (04/09/10)]

Table III-D-2: Performance Testing Requirements for Auxiliary Boiler

| Test Point | Pollutant | Method |
|-----------------------------|-----------------|--|
| Boiler Exhaust Outlet Stack | NO _x | EPA Method 7E |
| Boiler Exhaust Outlet Stack | CO | EPA Method 10 analyzer |
| Boiler Exhaust Outlet Stack | Opacity | EPA Method 9 |
| Stack Gas Parameters | - | EPA Methods 1, 2, 3A, and 4 ¹ |

¹ Method 4 is not required if the source uses Method 19 to calculate exhaust flow rate with an F factor derived from a site-specific fuel sample test.

E. Record Keeping

1. The Permittee shall comply with all applicable record keeping requirements of 40 CFR 60.7; 40 CFR 60 Subpart GG, Subpart D_a and Subpart D_c; 40 CFR 72 and 40 CFR 75, Subpart F and any other applicable regulations. [AQR 12.5.2.6(d)(2)]
2. The Permittee shall maintain the following records on site: [AQR 12.5.2.6(d)(2)]

Stationary Gas Turbines and Duct Burners (EUs: A01/A02 and A03/A04)

- a. hourly and consecutive 12-month total quantity of natural gas consumed in each stationary gas turbine;
- b. hourly and consecutive 12-month total quantity of natural gas consumed in each duct burner;
- c. monthly and consecutive 12-month total hours of operation of each duct burner;
- d. sulfur content of natural gas;

Auxiliary Boiler (EU: A05)

- e. monthly and consecutive 12-month total hours of operation of the auxiliary boiler;
- f. monthly fuel consumption for the auxiliary boiler;
- g. records of burner efficiency tests performed on the auxiliary boiler;

Fire Pump (EU: A06)

- h. dates and duration of operation of the fire pump engine for testing and maintenance purposes, and separately for operation during emergencies;
- i. records of diesel emergency fire pump inspection/maintenance as required by Condition III-B-3(n)(1 through 4) of this permit;
- j. sulfur content and cetane index or aromatic content of diesel fuel as certified by the supplier;

CEMS and/or PEMS

- k. CEMS audit results or accuracy checks, corrective actions, etc., as required by 40 CFR 60, Appendix F and the CEMS quality assurance plan;
- l. all CEMS and/or PEMS information required by the CEMS and/or PEMS monitoring plan as specified in 40 CFR 75 Subpart F;
- m. time, duration, nature and probable cause of any CEMS downtime and corrective actions taken;

Other

- n. dates, times and duration of each startup and shutdown cycle;
 - o. monthly and consecutive 12-month total emissions in tons per year;
 - p. the magnitude and duration of excess emissions, notifications, monitoring system performance, malfunctions, corrective actions taken, etc., as required by 40 CFR 60.7;
 - q. copies of all reports, compliance certifications, other submissions and all records made or required under the Acid Rain Program;
 - r. certificates of representation for the designated representative and the alternate designated representative that meet all requirements of 40 CFR 72.24;
 - s. copies of all documents used to complete an Acid Rain permit application and any other submission under the Acid Rain Program or to demonstrate compliance with the requirements of the Acid Rain Program; and
 - t. summary of results of all performance testing.
3. The Permittee shall report the following information semiannually: *[AQR 12.5.2.6(d)]*
- a. monthly total quantity of natural gas consumed to demonstrate compliance with the consecutive 12-month gas usage limits for each stationary gas turbine and each duct burner; and
 - b. monthly total operating hours to demonstrate compliance with the consecutive 12-month hour limits for each duct burner, the auxiliary boiler and the fire pump;

4. For all inspections, visible emission checks, and testing required under monitoring, logs, reports, and records shall include at least the date and time, the name of the person performing the action, the results or findings, and the type of corrective action taken (if required). *[NSR ATC Modification 2, Revision 2, Condition IV-E-2 (04/09/10)]*
5. All records and logs, or a copy thereof, shall be kept on-site for a minimum of five (5) years from the date the measurement or data was entered and shall be made available to Air Quality upon request. *[AQR 12.5.2.6(d)(2)(B)]*
6. The Control Officer reserves the right to require additional requirements concerning records and record keeping for this source. *[AQR 12.5.2.6(d)(2)(B)]*

F. Reporting

1. The Permittee shall comply with all applicable notification and reporting requirements of 40 CFR 60.7, 40 CFR 60 Subparts Da, Dc, and Gg, 40 CFR 63 Subpart ZZZZ, and 40 CFR 72.9(f), 40 CFR 75. *[AQR 12.5.2.6(d)]* The designated representative or alternate designated representative of an affected source and each affected unit at the source shall submit the reports and compliance certifications required under the Acid Rain Program, including those under 40 CFR 72, 40 CFR 73, and 40 CFR 75. *[40 CFR 72.9(f)]*
2. All reports, including those related to compliance and RATA performance testing, shall contain the following: *[AQR 12.5.2.6(d)]*
 - a. a certification statement on the first page, i.e., "I certify that, based on information and belief formed after reasonable inquiry, the statements contained in this document are true, accurate and complete." (A sample form is available from Air Quality) and
 - b. a certification signature from a responsible official of the company and the date certification.
3. The Permittee shall submit reports to the Control Officer every six months. *[AQR 12.5.2.6(d)]*
4. The following requirements apply to semiannual reports: *[AQR 12.5.2.6(d)]*
 - a. The report shall include the items listed in Section III-E-3.
 - b. The report shall include summaries of any permit deviations, their probable cause and corrective or preventative actions taken.
 - c. The report shall be based on six calendar months, which includes partial calendar months.
 - d. The report shall be received by Air Quality within 30 calendar days after the reporting period.
5. Regardless of the date of issuance of this Operating Permit, the source shall comply with the schedule for report submissions outlined in Table III-F-1:

Table III-F-1: Required Submission Dates for Various Reports

| Required Report | Applicable Period | Due Date ¹ |
|--|--|-----------------------|
| Semiannual Report for 1 st Six-Month Period | January, February, March, April, May, June | July 30 each year |
| Semiannual Report for 2 nd Six-Month Period, any additional annual records required | July, August, September, October, November, December | January 30 each year |

| Required Report | Applicable Period | Due Date ¹ |
|----------------------------------|-------------------|--|
| Annual Compliance Certification | Calendar Year | January 30 each year |
| Annual Emission Inventory Report | Calendar Year | March 31 each year |
| Excess Emission Notification | As Required | Within 24 hours of the time the Permittee first learns of the excess emissions |
| Excess Emission Report | As Required | Within 72 hours of the Excess Emission Notification |
| Deviation Report | As Required | Along with semiannual reports |
| Performance Testing | As Required | Within 60 days from the end of the test |

¹ Each report shall be submitted by the due date listed. If the due date falls on a Saturday, Sunday or a Federal or Nevada holiday, then the submittal is due on the next regularly scheduled business day.

6. The Control Officer reserves the right to require additional reports and reporting to verify compliance with permit conditions, permit requirements, and requirements of applicable regulations. [AQR 4.4 and AQR 12.5.2.6(d)]
7. A RMP is required for the storing, handling and use of ammonia or aqueous ammonia pursuant to 40 CFR 68. The Permittee shall submit revisions of the RMP to the appropriate authority and a copy thereof to Air Quality. [40 CFR 68.150(b)(3)]

G. Mitigation

1. No federal offset requirements have been identified. [AQR 12.7]

IV. ACID RAIN REQUIREMENTS

1. In accordance with the provisions of Title IV of the Clean Air Act and 40 C.F.R. Parts 72 through 77, this Acid Rain Permit is issued to Nevada Power Company dba NV Energy Walter M. Higgins III Generating Station, Primm, Nevada.
2. All terms and conditions of the Acid Rain Permit are enforceable by Air Quality and EPA under the Clean Air Act. [40 CFR 72]
3. The Permittee shall comply with all the applicable requirements of the Acid Rain Permit Application located in Attachment 2. [40 CFR 72.30]
4. This Acid Rain Permit incorporates the definitions of terms in 40 CFR Part 72.2.
5. This permit is valid for a term of five (5) years from the date of issuance unless a timely and complete renewal application is submitted to Air Quality. [40 CFR 72.69]
6. A timely renewal application is an application that is received at least six months prior to the permit expiration date. [40 CFR 72.30]
7. Emissions from this source shall not exceed any allowances that the source lawfully holds under Title IV of the Act or its regulations. [AQR 12.5 and 40 CFR 70.6(a)(4)]

V. OTHER REQUIREMENTS

1. The Permittee shall not use, sell, or offer for sale any fluid as a substitute material for any motor vehicle, residential, commercial, or industrial air conditioning system, refrigerator

freezer unit, or other cooling or heating device designated to use a CFC or HCFC compound as a working fluid, unless such fluid has been approved for sale in such use by the Administrator. The Permittee shall keep record of all paperwork relevant to the applicable requirements of 40 CFR 82 on site. [40 CFR 82]

VI. PERMIT SHIELD

- Compliance with the terms contained in this permit shall be deemed compliance with the following applicable requirements in effect on the date of permit issuance: [AQR 12.5.2.9]

Table VI-1: Permit Shield

| EU | Regulation (40 CFR) | Pollutant | Regulatory Standard | | Permit Limit | | Value Comparison | | | Averaging Period Comparison | | | Shield Statement |
|--------------------|------------------------|-----------------|---------------------|----------------------------|------------------|----------------------------|--|--------------------|--|-----------------------------|---|--|--|
| | | | Value | Units | Value | Units | Standard Value, in Units of Permit Limit | Permit Limit Value | Is Permit Limit Equal or More Stringent? | Standard Averaging Period | Permit Limit Averaging Period | Is Permit Limit Equal or More Stringent? | |
| A01/A02 A03/A04 | 60.332 (GG) | NOx | 75 ¹ | ppmvd @ 15% O ₂ | 2.5 | ppmvd @ 15% O ₂ | 75 | 2.5 | Yes | 4 hour | 3 hour | Yes | The permit limit is more stringent than the standard, based upon both concentration and averaging time, therefore the facility should be shielded from the standard. |
| A01/A02 A03/A04 | 60.44(Da) ² | NOx | 1.6 | lb NOx/MW-hr | 25.7 | lb NOx/hr | 424 | 25.7 | Yes | 30-day rolling | 1 hour | Yes | |
| A01/A02 A03/A04 | 60.44(Da) ³ | SO ₂ | 0.2 | lb SO ₂ /MMBtu | 0.5 ³ | gr sulfur/100 scf | 133 | 20 | yes | 30-day rolling | either monthly average or instantaneous | yes | |

¹ The 40 CFR 60.332 NOx standard is a formula; the value used here (75 ppmvd) is the minimum possible value for the standard for any emission unit.

² The steam generating unit has no electrical output. Therefore, NOx emissions in units of lb/MW-hr cannot be determined. To resolve this, each gas turbine and heat recovery steam generator/duct burner were treated as a "unit" with one half of the steam turbine in order to compare the permit NOx limit to the Subpart Da limit. In this manner, for each "unit", electrical output was calculated to be half of the combined cycle nominal output (530 MW /2 = 265 MW).

³ Facility required to combust only pipeline natural gas which by definition contains less than 0.5 grains per 100 scf sulfur content. The averaging period is per Part 75 Appendix D which allows for monthly averaging or a single sample, depending on the circumstances. The lowest heating value for pipeline natural gas (950 Btu/scf) was used to convert the regulatory standard to the comparable permit limit value.

**ATTACHMENT 1
APPLICABLE REGULATIONS**

REQUIREMENTS SPECIFICALLY IDENTIFIED AS APPLICABLE:

1. NRS, Chapter 445B.
2. Applicable AQR Sections:

| Citation | Title |
|-----------------------|---|
| AQR Section 0 | Definitions |
| AQR Section 4 | Control Officer |
| AQR Section 5 | Interference with Control Officer |
| AQR Section 8 | Persons Liable for Penalties – Punishment: Defense |
| AQR Section 9 | Civil Penalties |
| AQR Section 10 | Compliance Schedule |
| AQR Section 11 | Ambient Air Quality Standards |
| AQR Section 12.5 | Part 70 Operating Permit Requirements |
| AQR Section 13.2.82 | National Emission Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines |
| AQR Section 14.1.b.3 | Standards of Performance for Electric Utility Steam Generating Units for Which Construction is Commenced After September 18, 1978 |
| AQR Section 14.1.b.5 | Standards of Performance for Small Industrial – Commercial – Institutional Steam Generating Units |
| AQR Section 14.1.b.40 | Standards of Performance for New Stationary Sources (NSPS) – Standards of Performance for Gas Turbines |
| AQR Section 18 | Permit and Technical Service Fees |
| AQR Section 21 | Acid Rain Permits |
| AQR Section 22 | Acid Rain Continuous Emission Monitoring |
| AQR Section 25 | Affirmative Defense for Excess Emissions due to Malfunctions, Startup and Shutdown |
| AQR Section 26 | Emissions of Visible Air Contaminants |
| AQR Section 28 | Fuel Burning Equipment |
| AQR Section 40 | Prohibition of Nuisance Conditions |
| AQR Section 41 | Fugitive Dust |
| AQR Section 42 | Open Burning |
| AQR Section 43 | Odors in the Ambient Air |
| AQR Section 70 | Emergency Procedures |
| AQR Section 80 | Circumvention |

3. CAAA, Authority: 42 U.S.C. § 7401, et seq.
4. Applicable 40 CFR Subsections:

| Citation | Title |
|----------------------|---|
| 40 CFR 52.21 | Prevention of Significant Deterioration (PSD) |
| 40 CFR 52.1470 | SIP Rules |
| 40 CFR 60, Subpart A | Standards of Performance for New Stationary Sources (NSPS) – General Provisions |

| Citation | Title |
|-------------------------|---|
| 40 CFR 60, Subpart Da | Standards of Performance for Electric Utility Steam Generating Units for Which Construction is Commenced After September 18, 1978 |
| 40 CFR 60, Subpart Dc | Standards of Performance for Small Industrial – Commercial – Institutional Steam Generating Units |
| 40 CFR 60, Subpart GG | Standards of Performance for New Stationary Sources (NSPS) – Stationary Gas Turbines |
| 40 CFR 60 | Appendix A, Method 9 or equivalent, (Opacity) |
| 40 CFR 63, Subpart ZZZZ | National Emission Stations for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines |
| 40 CFR 70 | Federally Mandated Operating Permits |
| 40 CFR 72 | Acid Rain Permits Regulation |
| 40 CFR 73 | Acid Rain Sulfur Dioxide Allowance System |
| 40 CFR 75 | Acid Rain Continuous Emission Monitoring |
| 40 CFR 82 | Protection of Stratospheric Ozone |

| |
|--|
| Walter M. Higgins III Generating Station |
| Facility (Source) Name (from STEP 1) |

Acid Rain - Page 2

STEP 3

Read the standard requirements.

Permit Requirements

(1) The designated representative of each affected source and each affected unit at the source shall:

- (i) Submit a complete Acid Rain permit application (including a compliance plan) under 40 CFR part 72 in accordance with the deadlines specified in 40 CFR 72.30; and
- (ii) Submit in a timely manner any supplemental information that the permitting authority determines is necessary in order to review an Acid Rain permit application and issue or deny an Acid Rain permit;

(2) The owners and operators of each affected source and each affected unit at the source shall:

- (i) Operate the unit in compliance with a complete Acid Rain permit application or a superseding Acid Rain permit issued by the permitting authority; and
- (ii) Have an Acid Rain Permit.

Monitoring Requirements

(1) The owners and operators and, to the extent applicable, designated representative of each affected source and each affected unit at the source shall comply with the monitoring requirements as provided in 40 CFR part 75.

(2) The emissions measurements recorded and reported in accordance with 40 CFR part 75 shall be used to determine compliance by the source or unit, as appropriate, with the Acid Rain emissions limitations and emissions reduction requirements for sulfur dioxide and nitrogen oxides under the Acid Rain Program.

(3) The requirements of 40 CFR part 75 shall not affect the responsibility of the owners and operators to monitor emissions of other pollutants or other emissions characteristics at the unit under other applicable requirements of the Act and other provisions of the operating permit for the source.

Sulfur Dioxide Requirements

(1) The owners and operators of each source and each affected unit at the source shall:

- (i) Hold allowances, as of the allowance transfer deadline, in the source's compliance account (after deductions under 40 CFR 73.34(c)), not less than the total annual emissions of sulfur dioxide for the previous calendar year from the affected units at the source; and
- (ii) Comply with the applicable Acid Rain emissions limitations for sulfur dioxide.

(2) Each ton of sulfur dioxide emitted in excess of the Acid Rain emissions limitations for sulfur dioxide shall constitute a separate violation of the Act.

(3) An affected unit shall be subject to the requirements under paragraph (1) of the sulfur dioxide requirements as follows:

- (i) Starting January 1, 2000, an affected unit under 40 CFR 72.6(a)(2); or
- (ii) Starting on the later of January 1, 2000 or the deadline for monitor certification under 40 CFR part 75, an affected unit under 40 CFR 72.6(a)(3).

| |
|--|
| Walter M. Higgins III Generating Station |
| Facility (Source) Name (from STEP 1) |

Acid Rain - Page 3

Sulfur Dioxide Requirements, Cont'd.**STEP 3, Cont'd.**

(4) Allowances shall be held in, deducted from, or transferred among Allowance Tracking System accounts in accordance with the Acid Rain Program.

(5) An allowance shall not be deducted in order to comply with the requirements under paragraph (1) of the sulfur dioxide requirements prior to the calendar year for which the allowance was allocated.

(6) An allowance allocated by the Administrator under the Acid Rain Program is a limited authorization to emit sulfur dioxide in accordance with the Acid Rain Program. No provision of the Acid Rain Program, the Acid Rain permit application, the Acid Rain permit, or an exemption under 40 CFR 72.7 or 72.8 and no provision of law shall be construed to limit the authority of the United States to terminate or limit such authorization.

(7) An allowance allocated by the Administrator under the Acid Rain Program does not constitute a property right.

Nitrogen Oxides Requirements

The owners and operators of the source and each affected unit at the source shall comply with the applicable Acid Rain emissions limitation for nitrogen oxides.

Excess Emissions Requirements

(1) The designated representative of an affected source that has excess emissions in any calendar year shall submit a proposed offset plan, as required under 40 CFR part 77.

(2) The owners and operators of an affected source that has excess emissions in any calendar year shall:

(i) Pay without demand the penalty required, and pay upon demand the interest on that penalty, as required by 40 CFR part 77; and

(ii) Comply with the terms of an approved offset plan, as required by 40 CFR part 77.

Recordkeeping and Reporting Requirements

(1) Unless otherwise provided, the owners and operators of the source and each affected unit at the source shall keep on site at the source each of the following documents for a period of 5 years from the date the document is created. This period may be extended for cause, at any time prior to the end of 5 years, in writing by the Administrator or permitting authority:

(i) The certificate of representation for the designated representative for the source and each affected unit at the source and all documents that demonstrate the truth of the statements in the certificate of representation, in accordance with 40 CFR 72.24; provided that the certificate and documents shall be retained on site at the source beyond such 5-year period until such documents are superseded because of the submission of a new certificate of representation changing the designated representative;

| |
|--|
| Walter M. Higgins III Generating Station Facility (Source) Name (from STEP 1) |
|--|

Acid Rain - Page 4

Recordkeeping and Reporting Requirements, Cont'd.

STEP 3, Cont'd.

- (ii) All emissions monitoring information, in accordance with 40 CFR part 75, provided that to the extent that 40 CFR part 75 provides for a 3-year period for recordkeeping, the 3-year period shall apply.
 - (iii) Copies of all reports, compliance certifications, and other submissions and all records made or required under the Acid Rain Program; and,
 - (iv) Copies of all documents used to complete an Acid Rain permit application and any other submission under the Acid Rain Program or to demonstrate compliance with the requirements of the Acid Rain Program.
- (2) The designated representative of an affected source and each affected unit at the source shall submit the reports and compliance certifications required under the Acid Rain Program, including those under 40 CFR part 72 subpart I and 40 CFR part 75.

Liability

- (1) Any person who knowingly violates any requirement or prohibition of the Acid Rain Program, a complete Acid Rain permit application, an Acid Rain permit, or an exemption under 40 CFR 72.7 or 72.8, including any requirement for the payment of any penalty owed to the United States, shall be subject to enforcement pursuant to section 113(c) of the Act.
- (2) Any person who knowingly makes a false, material statement in any record, submission, or report under the Acid Rain Program shall be subject to criminal enforcement pursuant to section 113(c) of the Act and 18 U.S.C. 1001.
- (3) No permit revision shall excuse any violation of the requirements of the Acid Rain Program that occurs prior to the date that the revision takes effect.
- (4) Each affected source and each affected unit shall meet the requirements of the Acid Rain Program.
- (5) Any provision of the Acid Rain Program that applies to an affected source (including a provision applicable to the designated representative of an affected source) shall also apply to the owners and operators of such source and of the affected units at the source.
- (6) Any provision of the Acid Rain Program that applies to an affected unit (including a provision applicable to the designated representative of an affected unit) shall also apply to the owners and operators of such unit.
- (7) Each violation of a provision of 40 CFR parts 72, 73, 74, 75, 76, 77, and 78 by an affected source or affected unit, or by an owner or operator or designated representative of such source or unit, shall be a separate violation of the Act.

Effect on Other Authorities

No provision of the Acid Rain Program, an Acid Rain permit application, an Acid Rain permit, or an exemption under 40 CFR 72.7 or 72.8 shall be construed as:

- (1) Except as expressly provided in title IV of the Act, exempting or excluding the owners and operators and, to the extent applicable, the designated representative of an affected source or affected unit from compliance with any other provision of the Act, including the provisions of title I of the Act relating

Acid Rain - Page 5

| |
|--|
| Walter M. Higgins III Generating Station |
| Facility (Source) Name (from STEP 1) |

Effect on Other Authorities, Cont'd.

STEP 3, Cont'd.

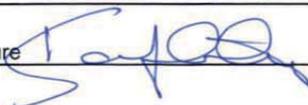
to applicable National Ambient Air Quality Standards or State Implementation Plans;

- (2) Limiting the number of allowances a source can hold; *provided*, that the number of allowances held by the source shall not affect the source's obligation to comply with any other provisions of the Act;
- (3) Requiring a change of any kind in any State law regulating electric utility rates and charges, affecting any State law regarding such State regulation, or limiting such State regulation, including any prudence review requirements under such State law;
- (4) Modifying the Federal Power Act or affecting the authority of the Federal Energy Regulatory Commission under the Federal Power Act; or,
- (5) Interfering with or impairing any program for competitive bidding for power supply in a State in which such program is established.

Certification

STEP 4
Read the certification statement, sign, and date.

I am authorized to make this submission on behalf of the owners and operators of the affected source or affected units for which the submission is made. I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment.

| | |
|---|----------------------------|
| Name Kevin Geraghty | |
| Signature  | Date April 24, 2015 |