UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

MEMORANDUM

DATE: June 18, 1980

SUBJECT: PSD Applicability: Coal Blending

FROM: Director
Division of Stationary Source Enforcement

TO: Allyn Davis, Director
Air & Hazardous Materials Division Region VI

This is in response to your memo of May 14, 1980, regarding the blending of high and low sulfur coal at several Arkansas power plants.

The first issue you raised concerned two power plants (SWEPCO and AP&L White Bluff) which were issued state construction permits in 1975 prior to the time of PSD applicability. The permits limited SO2 emissions to levels below the NSPS level of 1.2 lb/mm Btu. These plants now wish to increase their SO2 emissions by burning a higher sulfur coal in combination with their present fuel. A question arises as to whether this is considered a SIP relaxation and whether a SIP revision is necessary in order to increase the allowable SO2 emissions.

If the original construction permits were issued pursuant to a 40 CFR Part 51.18 approved plan, the permits are considered enforceable under the applicable implementation plan. In order for either of the sources in question to increase their allowable SO2 emissions an amended Part 51.18 permit or SIP revision must be obtained. An amended permit will also be enforceable under the applicable implementation plan. While we agree that PSD review of the changes to blended coal is not required, we wish to point out that SIP revisions for the plants could be approved only upon a showing that the revisions would not cause or contribute to a violation of an applicable increment. 40 CFR 51.24(a)(2).

Your second question deals with the AP&L Independence Plant, which received a PSD permit in 1978, requiring an SO2 emission limitation of 0.93 lb/mm Btu. The plant would now like to increase their emission limitation up to 1.2 lb SO2/mm Btu, as prescribed by the NSPS. Would the amended permit be subject to the old or existing PSD regulations?

Any change in the permitted emission limitation would require the permit either to be amended or the source to get a new permit. In either case the application would be subject to the regulations in effect at the time of the application. With regard to the Independence Plant, this would mean that a BACT and air quality analysis would be required before the SO2 emission limitation could be altered. Any change which would affect the conditions of the original permit would necessitate a re-evaluation prior to the time the source would make such change. I would like to note that if a permit modification is requested, BACT analysis can be more stringent than NSPS, and therefore, SO2 scrubbing could be required for the Independence Plant.

This response has been coordinated with OAQPS and OGC. If you have any questions regarding this determination, please contact Janet Littlejohn of my staff at 755-2564.

Edward E. Reich

cc: Peter Wyckoff (OGC)
Jim Weigold (OAQPS)

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

MEMORANDUM

DATE: May 14, 1980

SUBJECT: Coal Blending in Several Arkansas Power Plants

FROM: Allyn M. Davis, Director
Air and Hazardous Materials Division

TO: Richard R. Rhoads, Director
Control Programs Development Division (MD-15)

Edward Reich, Director
Division of Stationary Source Enforcement (EN-341)

In 1975, the State of Arkansas issued construction permits for two power plants, SWEPCO and AP&L (White Bluff). In order to meet a 30 minute State ambient standard, the permitted SO2 emissions were less than the 1.2 lb/mm Btu NSPS. The 30 minute standard was part of the Arkansas Code but was not part of the SIP. There are no SO2 regulations in the EPA approved SIP.

Due to a depressed coal industry, the Arkansas General Assembly is trying to get the power plants to blend high sulfur Arkansas coal with the low sulfur western coal. The SO2 emissions would increase as a result of the blending. Would this increase in SO2 emissions be considered a SIP relaxation, and would a SIP revision be required?

In 1978, the State issued a construction permit for the AP&L (Independence) plant. The permitted SO2 emissions (0.93 lb/mm Btu) again were less than the NSPS (1.2 lb/mm Btu). This plant also received a PSD permit. At that time, BACT was defined as the applicable NSPS. However, in order to be consistent with the State emission limitations, we specified the 0.93 value in the PSD permit.

Based on a March 26, 1979, determination from DSSE, an increase in the sulfur content of a particular fuel does not constitute a major modification for PSD purposes. Therefore, the increase in the SO2 emissions resulting from the coal blending is not considered a major modification. However, the PSD permit for Independence must be amended before the SO2 emissions can increase. Would the amended permit be covered under the old regulations or the current regulations? For example, would the source be subject to case- by-case BACT analysis in accordance with the existing regulations?

The above discussions assume the source can demonstrate there will be no NAAQS or PSD increment problems as a result of the increase.

The SWEPCO plant has been in operation for sometime; the AP&L (White Bluff) units are soon to go on line; and the AP&L (Independence) units are in the initial construction phases. Since Arkansas does not issue operating permits, the source must be operated in accordance with the construction permit limitations.

We ask that you respond to the above issues by May 19, 1980. If you have any questions, please contact me or John Bunyak of my staff at FTS 729-2742.

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The first issue you raised concerned two power plants (SWEPCO and AP&L White Bluff) which were issued state construction permits in 1975 prior to the time of PSD applicability. The permits limited SO2 emissions to levels below the NSPS level of 1.2 lb/mm Btu. These plants now wish to increase their SO2 emission by burning a higher sulfur coal in combination with their present fuel. A question arises as to whether this is considered a SIP relaxation and whether a SIP revision is necessary in order to increase the allowable SO2 emissions.

If the original construction permits were issued pursuant to a 40 CFR Part 51.18 approved plan, the permits are considered enforceable under the applicable implementation plan. In order for either of the sources in question to increase their allowable SO2 emissions an amended Part 51.18 permit or SIP revision must be obtained. An amended permit will also be enforceable under the applicable implementation. I would also like to point out that if the baseline has been triggered in the areas where these sources are located, the difference in allowable emissions between the original and amended permits will consume increment. PSD review of these sources is not required since the sources were "grandfathered" under the June 19, 1978 PSD regulations and the sources themselves have not changed.

Your second question deals with the AP&L Independence Plant, which received a PSD permit in 1978, requiring an SO2 emission limitation of 0.93 lb/mm Btu. The plant would now like to increase their emission limitation up to 1.2 lb SO2/mm Btu, as prescribed by the NSPS. Would the amended permit be subject to the old or existing PSD regulations?

Any change in the permitted emission limitation would require the permit either to be amended for the source to get a new permit. In either case a permit modification would be subject to regulations in effect at the time of the request for modification. With regard to the

Independence Plant, this would mean that a BACT and air quality analysis would be required before the SO2 emission limitation could be altered. Any change which would affect the conditions of the original permit would necessitate a re-evaluation prior to the time the source would make such change. I would like to note that if a permit modification is requested, BACT analysis can be more stringent than NSPS, and therefore, SO2 scrubbing could be required for the Independence Plant.

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