PUBLIC NOTICE

El Paso Electric Company, Montana Power Station

ANNOUNCEMENT OF PUBLIC NOTICE ON THE RESCISSION OF A CLEAN AIR ACT GREENHOUSE GAS PREVENTION OF SIGNIFICANT DETERIORATION PRECONSTRUCTION PERMIT

Public Notice Period October 14, 2015 – December 14, 2015

The United States Environmental Protection Agency (EPA) is providing notice of its decision to rescind the Prevention of Significant Deterioration (PSD) permit for Greenhouse Gases (GHG) issued to El Paso Electric Company (EPEC), for its Montana Power Station on March 25, 2014. EPA Region 6 issued the GHG PSD permit based on the applicability provisions described, at the time of permit issuance, at 40 CFR § 52.21(b)(49)(v)(a). In *Utility Air Regulatory Group (UARG) v. Environmental Protection Agency*, 134 S. Ct. 2427 (2014), the Supreme Court held that EPA may not treat GHGs alone as an air pollutant for purposes of determining whether a source is a major source required to obtain a PSD or title V permit and thus invalidated regulations implementing that approach. On July 6, 2015, EPA finalized a rule to implement the Supreme Court's decision that allows EPA to issue permit rescissions of GHG PSD permits issued to those sources who were treated as major sources simply due to their GHG emissions. EPA is issuing notice of the GHG PSD permit rescission in accordance with the permit rescission regulations at 40 CFR § 52.21(w)(2).

EPEC has demonstrated that, at the time of permit issuance, the new stationary source located at a greenfield site did not result in an increase in emissions of any regulated New Source Review (NSR) pollutant other than GHGs in an amount equal to or greater than the NSR major source thresholds. The permit authorized GHG emissions from four combustion turbines and associated equipment, including cooling towers, a firewater pump engine, ammonia storage tanks and unloading system, circuit breakers and a diesel storage tank. The permitted construction was planned to occur at a new site location, which is located at 100 North Stanton, El Paso, TX 79901. EPEC initially received a PSD permit for its non-GHG emissions that exceeded the NSR PSD significant emission rates for the proposed project from the Texas Commission on Environmental Quality (TCEQ) on January 21, 2014. However, after the Supreme Court ruling, EPEC applied to the TCEQ on September 15, 2014 to void the TCEQ issued PSD permit and to apply for the issuance of a TCEQ Standard Permit. On October 2, 2014, TCEQ issued EPEC Standard Permit number 123471 for the non-GHG emissions associated with the Montana Power Station (CN600352819 and RN106392624). The non-GHG emissions associated with the TCEO standard permit is as follows: VOC = 38.96 TPY, NOx = 249.05 TPY, CO = 249.01 TPY, $SO_2 = 10.82$ TPY, PM = 115.60 TPY, PM₁₀ = 113.76 TPY, PM_{2.5} = 112.89 TPY. EPEC has also asserted to EPA that the EPA-issued GHG PSD permit is not used, or planned to be used, for any other regulatory or compliance purpose. Based on EPA's review of the information provided to EPA, EPEC has provided sufficient information to support the required rescission elements outlined in 40 CFR § 52.21(w)(2).

Rescission Documents: All documents associated with the rescission of this GHG PSD permit including EPEC's rescission request and technical supporting information are part of the administrative record. The public can access key portions of the administrative record at EPA's website: http://www2.epa.gov/caa-permitting/ghg-psd-permitting-epas-south-central-region.

Hard copies of the full administrative record for this action may also be viewed in person (please call at least 24-hours in advance for available viewing times) at the EPA Region 6 address below.

E-mail: <u>magee.melanie@epa.gov</u>

U.S. Mail: Melanie Magee

Air Permits Section (6PD-R)

U.S. EPA Region 6

1445 Ross Avenue, Suite 1200

Dallas, TX 75202 Phone: (214) 665-7161

Final Determination: Based on the information provided to EPA Region 6, EPEC has provided sufficient information to support the required rescission elements outlined in 40 CFR § 52.21(w)(2). With the publication of this notice, this GHG PSD permit rescission for PSD-TX-104949-GHG becomes effective 60 days after publication.