

December 13, 2016

Robert Nelson
TransAlta Centralia Generation
913 Big Hanaford Road
Centralia, WA 98531

Subject: Regulatory Order to Limit Sulfur Dioxide Emissions

Dear Mr. Nelson:

Regulatory Order SWCAA 16-3202 has been completed for your facility pursuant to your request dated October 17, 2016, and Section 400-091 of the General Regulations for Air Pollution Sources of the Southwest Clean Air Agency (SWCAA). The public comment period for draft Regulatory Order SWCAA 16-3202 ended on December 3, 2016. The Southwest Clean Air Agency (SWCAA) did not receive any comments on the draft Regulatory Order.

The attached Regulatory Order limits sulfur dioxide emissions from TransAlta Centralia's facility located at 913 Big Hanaford Road, Centralia, WA, to a level that is protective of the State of Washington Ambient Air Quality Standards and the National Ambient Air Quality Standards for sulfur dioxide.

If you have any comment, or desire additional information, please contact Clint Lamoreaux at 360-574-3058 ext. 131.

Sincerely,



Uri Papish
Executive Director

UP/CL
Enclosure



IN THE MATTER OF COMPLIANCE WITH RCW)
70.94 AND THE GENERAL REGULATIONS FOR) SWCAA 16-3202
AIR POLLUTION SOURCES OF THE) REGULATORY ORDER
SOUTHWEST CLEAN AIR AGENCY) VOLUNTARY LIMIT
TransAlta Centralia Generation RESPONDENT)
Centralia, Washington)

WHEREAS

1. The purpose of this Regulatory Order is to establish a legally enforceable limit for sulfur dioxide emissions from the coal-fired boilers. The limit will be protective of the state and federal ambient air quality standards.
2. Pursuant to the United States Clean Air Act (42 U.S.C. 7401 et seq.) and the Washington Clean Air Act, the Southwest Clean Air Agency (SWCAA) has adopted regulations for the control of air contaminant emissions.
3. In conformance with the aforementioned laws, the policy and purpose of SWCAA is to control and regulate the emission of air contaminants from sources within the jurisdiction of SWCAA, to prevent violations of federal, state, and local air pollution regulations, to provide uniform administration and enforcement of the aforementioned regulations, and to effectuate the requirements and purpose of Chapter 70.94 Revised Code of Washington (RCW).
4. Revised Code of Washington (RCW) 70.94.040 prohibits any person from knowingly causing or permitting air pollution in violation of the Washington Clean Air Act or any

ordinance, resolution, rule or regulation promulgated pursuant to the Washington Clean Air Act.

5. SWCAA's "General Regulations for Air Pollution Sources", which were promulgated pursuant to the Washington Clean Air Act, provide for the control of air contaminants from all new, modified and existing emission units in Clark, Cowlitz, Lewis, Skamania and Wahkiakum Counties in the state of Washington.
6. RCW 70.94.141(3) provides SWCAA the authority to issue such orders as may be necessary to effectuate the purpose of the Washington Clean Air Act and enforce the same by all appropriate administrative and judicial proceedings.
7. SWCAA 400-091 "Voluntary Limits on Emissions" provides SWCAA the ability to issue a regulatory order to limit emissions at the request of the owner or operator of any stationary source. This rule section is federally enforceable and is an approved element of the Washington State Implementation Plan. In accordance with SWCAA 400-109, all requests to change existing requirements require submittal of an Air Discharge Permit application. All Air Discharge Permit Applications must be processed in accordance with SWCAA 400-110. SWCAA 400-110 requires that applications demonstrate compliance with state and national ambient air quality standards.

FINDINGS OF FACT

8. Respondent owns and operates two coal-fired utility boilers that constitute a major source of sulfur dioxide (SO₂). State and national ambient air quality standards limit the concentration of sulfur oxides in the ambient air.

- (a) On June 22, 2010 the United State Environmental Protection Agency (EPA) issued a new 1-hour SO₂ standard at a level of 75 parts per billion based on a 3-year average of the annual 99th percentile of 1-hour daily maximum concentrations.
 - (b) Effective December 22, 2013, Washington Administrative Code (WAC) 173-476-130 promulgated a new 1-hour SO₂ standard that matched the federal standard.
9. The "Data Requirements Rule" for the 2010 1-hour SO₂ Primary National Ambient Air Quality Standard (Title 40 Code of Federal Regulation (40 CFR) 51, Subpart BB) was published in the Federal Register on August 21, 2015. Under this rule, an "applicable source" includes any stationary source that is not located in a designated non-attainment area and has actual annual SO₂ emissions of 2,000 tons per year or more. Emissions from Respondent's facility exceeded this level in 2013, 2014, and 2015 and is an "applicable source" for the purposes of this rule. In accordance with this rule the Washington Department of Ecology was required to notify EPA by July 1, 2016, whether it had chosen to characterize peak 1-hour SO₂ concentrations in an area with an applicable source through ambient air quality monitoring or air quality modeling techniques. The Washington Department of Ecology sent a letter dated May 20, 2016, to Mr. David Nicol of TransAlta indicating that Ecology intended to evaluate compliance with the SO₂ standard through air quality modeling.
10. In a letter dated October 11, 2016, Mr. Christopher Hanlon-Meyer presented a summary of the Washington Department of Ecology's dispersion modeling results. The model predicted that the SO₂ 1-hour standard would be exceeded at emission rates in excess of approximately 1,364 pounds per hour (lbs/yr), both units combined using meteorological

data from January 1, 2014, to September 10, 2016. Based on this result, SWCAA understands that limiting emissions to 1,350 lbs/hr would provide a reasonable assurance of compliance with the SO₂ 1-hour standard.

11. In accordance with 40 CFR 51.1203(d)(2) the modeling analyses must characterize air quality based on either actual SO₂ emissions from the most recent three years, or on any federally enforceable allowable emission limit or limits established by the air agency that are effective and require compliance by January 13, 2017.
12. To prevent an exceedance of the state and national ambient air quality standards for SO₂, Respondent has submitted a request dated October 17, 2016 in accordance with SWCAA 400-091 to voluntarily limit SO₂ emissions to 1,350 pounds per hour, 1-hour average. SWCAA 400-091 is an approved element of Washington's State Implementation Plan and therefore a voluntary limit implemented in accordance with SWCAA 400-091 is federally enforceable.

SPECIFIC REQUIREMENTS

13. Effective December 15, 2016, combined SO₂ emissions from Unit #1 and Unit #2 must not exceed 1,350 pounds per hour (1-hour average). This limit may not be modified or rescinded without a demonstration that the modification or rescission will not cause or contribute to an exceedance of any state or national ambient air quality standard.
14. Compliance with the SO₂ emission limit must be based on using SO₂ emissions data from a Continuous Emissions Monitoring System (CEMS) operated in accordance with 40 CFR 75. Only unadjusted, quality-assured SO₂ concentration values and flow rate data must be used in the emissions calculations. Bias adjustment factors and 40 CFR 75 substitute data values must not be used. The CEMS for each boiler must provide valid

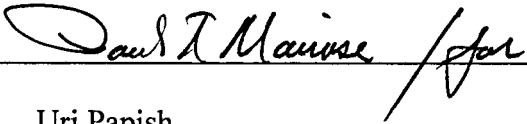
hourly SO₂ emissions for at least 95% of the hours that the boiler is operated during each calendar month except for periods of monitoring system downtime, provided that the owner or operator demonstrated that the downtime was not a result of inadequate design, operation, or maintenance, or any other reasonable preventable conditions, and any necessary repairs to the monitoring system are conducted in a timely manner.

GENERAL REQUIREMENTS

15. THAT, for the purpose of ensuring compliance with this Regulatory Order or any other applicable requirement, duly authorized representatives of SWCAA must be permitted access, pursuant to Section 114 of the Federal Clean Air Act and RCW 70.94.200, to Respondent's premises and the facilities being constructed, owned, operated, and/or maintained by the Respondent for the purpose of inspecting said facilities and to conduct or require such tests as may be deemed necessary for the purpose of determining the status of compliance with the terms of this Regulatory Order or any other applicable requirement.
16. THAT, no change in this Regulatory Order can be made or be effective except as may be specifically set forth by written order of SWCAA upon written application by the Respondent for the relief sought.
17. THAT, the provisions, terms and conditions of this Regulatory Order are deemed binding upon the Respondent, its officers, directors, agents, servants, employees, assigns, successive owners and/or partners of the source and all persons, firms and corporations acting under or for the source.
18. THAT, the requirements of this Regulatory Order survive any transfer of ownership of the source or any portion thereof.

19. THAT, this Regulatory Order must be posted conspicuously at or be readily available near the source.
20. THAT, this Regulatory Order does not supersede requirements of other agencies with jurisdiction and further, this Regulatory Order does not relieve Respondent of any requirements of any other governmental agency.
21. THAT, compliance with the terms of this Regulatory Order does not relieve Respondent from the responsibility of compliance with SWCAA "General Regulations for Air Pollution Sources", any previously issued Regulatory Order(s), except as specifically amended or superseded by this Regulatory Order, RCW 70.94, Title 173 Washington Administrative Code, or any other applicable emission control requirements, nor from the resulting liabilities and/or legal remedies for failure to comply.
22. THAT, SWCAA may, in accordance with RCW 70.94 impose such conditions as are reasonably necessary to assure the maintenance of compliance with the terms of this Regulatory Order, the Washington Clean Air Act, and the applicable rules and regulations adopted under the Washington Clean Air Act.
23. THAT, if any provision of this Regulatory Order is held to be invalid, all unaffected provisions of this Regulatory Order shall remain in effect and shall be enforceable.

DATED this 13th day of December, 2016.

Issued by: 
Uri Papish
Executive Director
Southwest Clean Air Agency

State Environmental Policy Act
DETERMINATION OF SEPA EXEMPT – SWCAA 16-029

Description of proposal:

The proponent has requested that SO₂ emissions from their coal-fired boilers be limited on an hourly basis to ensure that SO₂ emissions from the facility will not cause or contribute to an exceedance of the ambient air quality standard for SO₂ that was issued by the Environmental Protection Agency in 2010. The Southwest Clean Air Agency is issuing a Regulatory Order to establish an hourly SO₂ emission limit in response to this request. The new SO₂ emission limit does not replace or relax any existing emission limit. This regulatory action will not impact emission of other pollutants. This limitation is not associated with the physical modification of any equipment, or installation of any new equipment. This regulatory action is not expected to have any effect on traffic, noise, glare, housing, or recreation opportunities.

Proponent:

TransAlta Centralia Generation, LLC (David Nicol)

Location of proposal, including street address if any:

913 Big Hanaford Road
Centralia, WA 98531

Lead agency: Southwest Clean Air Agency

The lead agency for this proposal has determined that the proposed project is exempt from SEPA under WAC 197-11-800(3) as follows: “The repair, remodeling, maintenance, or minor alteration of existing private or public structures, facilities or equipment, including utilities, recreation, and transportation facilities involving no material expansions or changes in use beyond that previously existing; ...”. The proposed project is identified as a minor alteration in the way existing equipment is operated and as such it does not have a probable significant impact on the environment. Neither an environmental checklist nor an environmental impact statement (EIS) is required under RCW 43.21C.030(2)(c). This decision was made by the lead agency after review of the proponent’s proposal and the information on file with the lead agency. This information is available to the public on request.

This action by SWCAA is SEPA exempt.

Responsible official: Paul T. Mairose, P.E.

Position/title: Chief Engineer

Address: Southwest Clean Air Agency
11815 NE 99th Street, STE 1294
Vancouver, WA 98682-2454

Phone: (360) 574-3058 ext. 130

Signature: Paul T. Mairose

Date: 11/1/16

