From: Lyons, Ann
To: Lee, Anita; Siegal, Tod; Vetter, Rick
Cc: McKaughan, Colleen
Subject: RE: NGS Supplemental Proposal
Date: Monday, August 19, 2013 10:17:53 AM

Rick and Tod – just to add to Anita's message – please feel free to limit your review to any discussion about tribal/TAR issues. Matt Marks and/or Sara S will be reviewing the supplemental for the regional haze/BART issues. [redacted]

So we are hoping it will not take up too much of your time.

Redaction: Attorney-client communication

Ann Lyons
Office of Regional Counsel
U.S.E.P.A.
75 Hawthorne Steet
San Francisco, CA 94107
415-972-3883
lyons.ann@epa.gov

From: Lee, Anita
Sent: Monday, August 19, 2013 9:54 AM
To: Siegal, Tod; Vetter, Rick
Cc: Lyons, Ann; McKaughan, Colleen
Subject: FW: NGS Supplemental Proposal
Importance: High

Hi Tod and Rick,

Knowing nothing about your schedules/availability for the next couple of weeks, I am sending you a draft FRN for a Supplemental Proposal for Navajo Generating Station, with the understanding that you may or may not be able to review this according to my very ambitious schedule (below). Matt Marks is out starting on Wed until Sept 3, so Sara might be able to review as well.

Anyway, here's the scoop:

On July 26, a group of stakeholders, called the Technical Work Group (TWG), submitted an additional Alternative to EPA. The TWG consists of the operator of the facility (representing itself and other non-Federal owners), the Dept. of the Interior, Environmental Defense Fund, Navajo Nation, Gila River Indian Community, Western Resource Advocates, and the Central Arizona Water Conservation District (representing Central Arizona Project water interests).

Under the new Alternative to BART, EPA would be proposing an enforceable cap on total NOx emissions over 2009-2044. This cap is calculated based on EPA's proposed BART emission limit and BART compliance within 5 years of the final rule for NGS. This BART cap is constant and the operator of NGS must ensure that total emissions from the facility remain below the cap. Because two of the current owners of NGS, Los Angeles Department of Water and Power and NV Energy, intend to

divest from NGS by the end of the current lease term of 2019, and because the Navajo Nation has the option of purchasing an ownership share, the operator of NGS cannot yet commit to a single course of action for maintaining emissions below the BART cap. Under this new BART Alternative, the final post-2019 ownership of NGS will define how NGS is operated in the future. The possible operating scenarios include the closure of one unit and installation of new air pollution controls on the two remaining units; the operation of all three units at reduced operating capacity and installation of new air pollution controls on two units; and compliance with an emission cap over 2009-2029 in addition to the 2009-2044 BART cap, resulting in total emissions equivalent to the closure of one unit and the installation of new air pollution controls on the two remaining units.

[redacted]

Please let me know if you might be able to review by COB tomorrow, or at all this week.

Thanks so much, and please let me know if there is anything else we can provide to help with your review.

Anita

Anita Lee, PhD
Environmental Scientist
US EPA, Air Division, Planning Office (Air-2)
75 Hawthorne Street
San Francisco, CA 94105
(415) 972-3958

From: Lee, Anita
Sent: Monday, August 19, 2013 9:22 AM
To: Marks, Matthew; Keating, Martha; Hawes, Todd; Lorang, Phil; Jones, Rhea
Cc: Lyons, Ann; McKaughan, Colleen
Subject: NGS Supplemental Proposal
Importance: High

Hi all,

Attached is a draft FRN Supplemental Proposal for NGS to propose and take comment on an additional Alternative to BART. This Alternative was submitted to EPA by the Technical Work Group (TWG) on July 26. I am requesting a quick turnaround for your review (I'm sorry!), so that we can get our RA signature in early September, allowing sufficient time for publication in FR to provide 30-day notice of public hearings Oct 22-25.

This draft was reviewed by Colleen McKaughan and Ann Lyons. Ann has not yet reviewed the EO

language or reg text. I provided a slightly earlier version of this to Tamara Saltman last Thurs because she is in training this week. I understand that Tamara plans to send me her comments by COB today.

Here is our Tentative Schedule:

August 19 (Monday) – Draft FRN to OGC and OAQPS. Please review and send comments, if possible, by COB Aug 20 (Tuesday).
August 22 (Thursday) – Revised FRN to Debbie. Review and comment by COB Fri Aug 23, or 8AM Mon Aug 26.
August 27 (Tuesday morning) – Send FRN to Janet. Review and comments by COB September 3 (Tuesday).
September 5 (Thursday) – If needed, re-circulate final draft of Supplemental Proposal
September 9 (Monday) – Jared's signature.

Thanks everyone! Please let me know if I/we can provide anything to help with your reviews.

Anita

Anita Lee, PhD
Environmental Scientist
US EPA, Air Division, Planning Office (Air-2)
75 Hawthorne Street
San Francisco, CA 94105
(415) 972-3958