CAPE
[Add letterhead]

July , 2006

Mr. Mark Sims
U.S. EPA Region 9
Air Permits Office (AIR-3)
75 Hawthorne Street
San Francisco, CA 94105

Re: Written Comments on Proposed PSD Permit dated May 2006 ("Proposed Permit") and Ambient Air Quality Impact Report (AAQIR) re LSP Morro Bay LLC (SCC 2005-01)

Dear Mr. Sims:

The Coastal Alliance on Plant Expansion ("CAPE") hereby provides the following comments on the above-referenced Proposed Permit and AAQIR, which are endorsed by the individuals who are resident, own property or working in the area most affected by the proposed project, as provided in the "Endorsements" attached hereto. All capitalized terms used herein are as defined in the Proposed Permit, AAQIR, or specifically defined herein. The purpose of this letter is to provide public comments on the PSD Proposed Permit and AAQIR pursuant to the relevant federal regulations, including 40 CFR § 52.21. For the convenience of the EPA Region 9, the comments are organized in the order of the issues presented first in the AAQIR and then the Proposed Permit.

AAQIR Comments

I. Section III (page 2, ¶4). The Title V Permit issued to Duke Energy Morro Bay LLC ("Duke") by the San Luis Obispo County Air Quality Pollution Control District ("APCD") requires a reevaluation of BACT once all other permits and approvals of the project have been obtained, i.e., BACT analysis in the original application to the APCD was valid for only 2-1/2 years, which has long since expired. There may be intervening changes in BACT and/or specific APCD rules and regulations relating to BACT for the proposed project before this final analysis and reevaluation occurs, making it premature to note that the APCD has given final approval to the Permit for the project.

II. Section IV (page 3 – Table 1). There are very serious, highly material issues relating to the appropriateness of the emission comparisons set forth in Table 1 of the AAQIR, both as to the existing boilers' emissions and as to the new turbines' emissions.

A. The PM_{10} emissions levels for the new turbines proposed by the applicant (originally Duke) are **understated by at least 100%.** As CAPE raised before the CEC, the following issues should be addressed in the public hearing and reconsidered by the EPA before issuing the proposed EPA PSD permit as to PM_{10} emissions:

1. The emission rates proposed by Duke for the MBPP, and as accepted by the EPA (see Proposed PSD Permit, p. 4, §IX.B) are not supported by the facts.

a. Duke in its CEC Application initially claimed that it utilized the emission rates "provided" by the manufacturer (GE), but later provided contradictory and inconsistent testimony during the CEC hearings. The Application indicates the specs were provided by the vendor (see, Application page 6.2-42, Table 6.2-26, Table 6.2-26, footnote 3[1]), which on its face suggests warranted rates that can give a comfort level because the vendor may be liable if it knowingly gives false emission rates.

b. On behalf of Duke, Mr. Gary Rubenstein thereafter testified that the emission rates of the turbines were based on the combined filterable and condensable particulate emissions measured "using EPA-approved methods" and further testified that vendor guarantees were irrelevant. The vendor guaranteed emissions were at least twice the levels provided by Duke. See, Exhibit A - CAPE's CEC Opening Brief, pp. 4-6, as well as the exhibits referenced therein which are attached as Exhibits F (pp. 14-15) and N to this comment letter.[2]

c. As discussed in greater detail below, Mr. Rubenstein again changed his testimony on cross-examination by CAPE to indicate that the proposed MBPP's PM_{10} emissions were **not** based on data provided by GE (the vendor) [contrary to the statements of Duke in its Application §6.2.6.2.2, Tables 6.2-25 and 26, p. 6.2-42]. The vendor data for these turbines range from 18 to well over 20 lb/hr for the same model turbines without duct firing. Mr. Rubenstein then claimed that Duke estimated the turbines would produce 11 lb/hr without duct firing and 13.3 lb/hr with duct firing, based on Mr. Rubenstein's own "professional judgment."

2. The methodology used by Duke's hired "expert," Mr. Rubenstein,[3] in modeling the PM_{10} emissions for the MBPP was totally inappropriate under EPA standards.

a. On cross-examination by CAPE in the CEC proceedings, Mr. Rubenstein testified that the emission rates were actually based on his "own professional judgment, rather than on the GE numbers" and/or his proposed source test methodology for PM emissions in which **he combined EPA Method 201A (for filterable particulate emissions) and EPA Method 8 (for condensable particulate emissions).** See, Exhibit A - CAPE's CEC Opening Brief, pp. 4-5, as well as the exhibits referenced therein which are attached as Exhibits G (p. 120) and L (¶20, p. 9) to this comment letter, as well as Exhibit M to this comment letter. Not coincidentally, the

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[1] The Application submitted to the EPA for the project is identical, on air quality issues, to that submitted to the California Energy Commission ("CEC"). Numerous corrections and changes to the data provided in the CEC Application were submitted to the CEC, but apparently have not been provided to the EPA for its evaluation of the project.

[2] The October 1990 USEPA draft New Source Review Workshop Manual strongly suggests that vendor guarantees be obtained for BACT control systems, and that even such guarantees might not be sufficient. See, CAPE's CEC Opening Brief re Group II Topics (pp. 4-5) as well as the exhibits referenced therein which are attached as Exhibits G (p. 120) and L (¶20, p. 9) to this comment letter, addressing air quality and public health impacts of the project ("CAPE's CEC Opening Brief"), a copy of which is provided to the EPA with these comments as Exhibit A and is otherwise available on the CEC web site for this project.

[3] Mr. Rubenstein apparently represents primarily if not exclusively power companies and is thus susceptible to significant personal/professional/financial bias. See, Exhibit J to this comment letter, pages 117-118.

emission rates based on Duke's expert's opinion are substantially lower than (i.e., half of) the vendor data rate,[4] the PM_{10} source test results on these same model turbines in operation elsewhere (including Duke Energy plants in Texas),[5] and emission rates established using the proper EPA approved PM_{10} source test methodology, which is EPA Methods 201A (now Method 5) and 202.[6] **It is important to note that the Proposed Permit itself requires use of EPA Methods 5 and 202 (see, §IX.A.2 (p.3)), not Method 8.**[7]

b. Mr. Rubenstein's calculation based on EPA Method 8 is clearly inappropriate because this method is approved only for Determination of Sulfuric Acid Mist and Sulfur Dioxide Emissions from Stationary Sources (not condensable particulates).

c. All of the data from the vendor and the source tests using the actual EPA-approved Method 202 for condensable particulates are all quite consistent at 18 lb/hr without duct burning, which is twice as high as the base emission rate proposed by Duke of 9 lb/hr for these turbines. Establishment of lower rate caps as a permit condition is totally ineffectual and unenforceable, given that current technology is unable to provide continuous in-stack monitoring of PM_{10} emissions, as discussed further below.[8]

d. As set forth in Exhibit A - CAPE's CEC Opening Brief, given the above concerns, the weight of the evidence supports actual emission rates with SCR and without duct firing of 22 lb/hr and with duct burning of 26.6 lb/hr, for a total of 406.4 tons per year of particulate emissions, not the 203.2 tons per year modeled by Duke and accepted by the EPA in its AAQIR (§IV, p. 3, Table 1). Accordingly, the proposed permit is based on faulty factual premises. An appropriately conservative estimate of PM_{10} emissions from the proposed project is at least 406.4 tpy (and actual emissions may well exceed such estimates).

B. The levels of emissions for **all pollutants** from the baseline for the existing MBPP shown in the Application (Table 6.2-31) and Table 1 of the AAQIR are overstated by a factor of at least **four** because an inappropriate baseline period was used.

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[4] See, pp. 5-6 of Exhibit A - CAPE's CEC Opening Brief as well as the exhibits referenced therein which are attached as Exhibits H, L [as well as exhibit 1 thereto], and N filed with these comments.

[5] See, pp. 6-7 of Exhibit A - CAPE's CEC Opening Brief as well as the exhibit referenced therein which is attached as Exhibit O filed with these comments.

[6] See, Exhibit A - CAPE's CEC Opening Brief, pp. 7-10, as well as Exhibits F (pp. 12, 14-15, 17-19, 24-26), G (pp. 16-17, 21-22, 130), K (p. 124), L (exhibit 1, table 1 on pp. 207 and 210), and M (pp. 12, 23, 25).

[7] As set forth in Exhibit A - CAPE's CEC Opening Brief (p. 10) and Exhibit F (p. 19), Mr. Rubenstein testified that "… we [the applicant] have told the [APCD] that we will be requesting the use of a method like this [201A/8] … And by the time we do testing from this plant, that new method may actually be an approved EPA method, and we may switch to that." See, Exhibits F and M filed with these comments. That "new" method (Method 8 for condensable particulates) has not been approved by the EPA for PM emissions to date.

[8] See, Exhibit A - CAPE's CEC Opening Brief, pp. 10-12 and all exhibits referenced therein, including Exhibits F (pp. 240-241), G (pp. 21, 51-53, 171-174), and L (¶29) and exhibit 2 thereof (pp. 241-242).

1. The figures referenced in Table 1, as supplied by Duke, are based on the average 24-month emissions for all four steam generating units at the existing MBPP for the period of mid-1998 through July 2000. This baseline reflects a highly inflated period of operations of the existing MBPP chosen by Duke to provide the highest available credits for previous emissions for state law purposes in anticipation of its revised AFC filing with the CEC.[9] It is not the least bit representative of normal operations of the MBPP as required by CFR §52.21 (b)(3)(i)(b) and §52.21 (b)(48). The latter regulations (part of the definitions section) provides in relevant part as follows: "(48) Baseline actual emissions means the rate of emissions, in tons per year, of a regulated NSR pollutant [including PM_{10}] as determined in accordance with paragraphs (b)(48)(i) through (iv) of this section."

Of most relevance here are the provisions of CFR §52.21 (b)(48)(i) that address existing electric utility steam generating units, as to which the "baseline actual emissions means the average rate, in tons per year, at which the unit actually emitted the pollutant during any consecutive 24-month period selected by the owner and operator **within the 5-year period immediately preceding when the owner or operator begins actual construction of the project. The Administrator shall allow the use of a different time period upon a determination that it is more representative of normal source operation.**" [Emphasis added] This is critical to the analysis of the proposed MBPP for PSD purposes.

2. The baseline years selected by Duke in its original application reflect the absolute opposite of normal source emissions. Duke operated the MBPP at unusually high rates during its selected baseline period and subsequent investigations have proven that Duke and many other energy suppliers artificially manipulated the availability of electricity and the price charged to California for electricity during this period (perpetrating a fraud on the State of California and its ratepayers) resulting in artificially reduced supplies and inflated demands and prices for electricity.[10] The applicant, as a successor in interest, should not be allowed to benefit from this massive fraud of Duke by utilizing the "energy crisis" years as a baseline for the existing MBPP emissions for purposes of the PSD analysis. If the EPA requires the applicant to provide an historic context for operations over the most recent 10 to 20 years, the selected baseline will be shown to be a total anomaly. CAPE strongly urges that the EPA require the owner/operator to provide this 10 to 20 year history of emissions for the existing MBPP, which CAPE believes will amply demonstrate the inappropriateness of the baseline used by the applicant.

3. The regulations expressly require that the baseline emissions be based on a continuous 24-month average within 5 years prior to actual construction. The baseline used by the owner/operator is not within that time period. As of July 2006, all of

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[9] See, Exhibit A - CAPE's CEC Opening Brief, pp. 38-45 and Exhibit B - CAPE's Reply Brief on Group III Topics Other Than Soil and Water ["CAPE's CEC Reply Brief"].

[10] See, e.g., the report in the Los Angeles Times, dated September 14, 2005, entitled "Duke to Close California Plants," which states in relevant part: "In July 2004, Duke reached a $207.5 million settlement with California and several utilities in the state to resolve allegations that the company overcharged for power in the summer of 2000." Note the summer of 2000 is included in the applicant's baseline emissions period in its application to the EPA. A copy of this article is attached to these comments as Exhibit P.

the necessary permits and approvals for the project have not yet been obtained by the owner/operator so construction has not yet begun.[11]

4. Although actual emission figures from the MBPP in the last 5 years have not been made public (to CAPE's knowledge) by the owner/operator, CAPE believes that **at most** the MBPP has operated on average at a maximum of 1 boiler full time per year in the past 5 years,[12] which belief is based on various local news reports from different sources[13] and observations by local residents. Applying this estimated

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[11] Demolition of the tank farm is separate and apart from the construction of the project, as Duke conceded in its CEC Petition for an Order Authorizing Demolitions of the Morro Bay Tank Farm, dated April 18, 2005, and the CEC confirmed this in its Commission Amended Order No. 05-062201 Authorizing Demolition of the Morro Bay Tank Farm, dated June 22, 2005. See, p. 5 of Appendix A to such order. Copies of these filings are attached to these comments as Exhibits C and D, respectively.

[12] In CAPE's view, the estimate of one boiler unit operating full time per year at the MBPP is likely to be much higher than actual operating data would show because for periods of time none of the boilers have been in operation, at times one unit has been operating off and on, and on occasion at peak periods, perhaps two units have been operating on a part-time basis. Actual emissions for the MBPP in the past five years are thus likely to be substantially less than the baseline figures provided by Duke which included all four units operating on essentially a full-time basis. Because CAPE has no access to the actual emissions data for the appropriate 5-year time period, it is therefore incumbent upon the applicant to provide the EPA with actual emissions data for that time period.

[13] For example, the New Times (San Luis Obispo County) reported in its February12-19, 2004 edition in an article entitled "Duke Energy Hushed Earthquake Damage," that all four generating units at the MBPP were out of operation from December 22, 2003 until February 6, 2004, as a result of earthquake damage. This article further quotes Duke's representative as follows: "We had some maintenance work on the two generators [otherwise operable prior to the earthquake] scheduled for March and April, anyway…We didn't expect to be running them because of low demand this time of year. …" A copy of this article is attached to these comments as Exhibit Q. In addition, various articles in the San Luis Obispo Tribune in early 2004 and 2005 noted the limited operations of the MBPP. On February 20, 2004, in an article entitled "Duke to Cut Morro Staff," the Tribune reported that the MBPP (as quoted from a Duke representative) "has not been operating at a substantial level. … As a result [Duke is] having to further reduce costs, which includes a reduction in personnel." At that time only two of the plant's generators remained available for use. On March 16, 2004, in an article entitled "Duke May Shutter Morro Plant," the Tribune reported that Duke may shutter the MBPP, i.e., mothball the plant starting in October 2004 if the demand for electricity over the summer was low" and again confirmed that only 2 of the 4 generators were even available. More specifically, the article indicates that "two of the plant's four generating units were put into 'cold shutdown.' In that state, the units can't be easily restarted, requiring about 30 days to gear back up. The other two are on stand-by, but are not producing." A Duke employee representative of the local union was quoted in this article as follows: "With Diablo running, there is very little power needed out of Morro Bay." Duke's spokesman, Pat Mullen was further quoted as follows: "We recognize that the plant has not been operating." On February 11, 2005, the Tribune reported in an article entitled "PG&E Offer May Keep Plant on Line" that: "Over the last two years, the plant has been losing money and Duke has mothballed two of the plant's four generators." The article notes that Mullen, the Duke spokesman, "said a power-purchase contract with PG&E, and possibly other buyers, would stop these losses. … For up to three years, Duke is offering up to 650 megawatts of power from the plant's remaining two generators." This is significantly less than the maximum MWs per hour produced from the MBPP during the applicant's proposed baseline period. See Appendix 6.2 to the Application – Attachment 6.2-1.1. Copies of these articles are attached to these comments as Exhibit R. The fact that much of the MBPP was not operating and that Duke did not vigorously pursue its modification plans for the MBPP during this extended period (2001 to date) clearly illustrates that the most representative period of operations of the MBPP should be within the last 5 years, not the anomaly years of 1998-2000.

maximum of the equivalent of 1 boiler (full-time) by using figures equal to one-fourth of those set forth in Table 1 for actual emissions based on 4 boilers, an appropriately revised Table 1 would be closer to the following:

Revised Table 1. Comparison of Emissions from New Turbines and Existing Boilers

	EMISSIONS (tons per year)				
	NO_x	CO	VOC	SO_2	PM_{10}
New Turbines	292.3	917.4	77.6	23.0	203.2 (a) 406.4 (b)
Existing Boilers (c)	213.3	359.0	23.0	2.5	31.8 31.8
Net Change	79.0	558.4	54.6	20.5	171.4 374.6

(a) This figure is the PM_{10} emissions provided by Duke in its initial application, which is grossly understated. See, the discussion above in Paragraph II.A.

(b) CAPE believes this figures is the minimum estimate of actual PM_{10} emissions from the new turbines for the reasons stated above in Paragraph II.A.

(c) The figures for the existing boilers, as a reasonable estimate subject to confirmation by the owner/operator with actual data during a 24-month baseline in the 5-year period prior to commencement of construction of the project, are _ of the figures of emissions supplied by Duke in its original application representative of 4 boilers operating full time, to derive the equivalent of 1 boiler operating full time over the appropriate baseline period.

Use of an appropriate baseline reflecting representative levels of operation of the existing MBPP clearly results in significant increases in all criteria pollutants, except SO_2.

5. Based on the revised Table 1 set forth above (albeit an estimate), the proposed project is subject to PSD requirements (including pre-construction monitoring of such pollutants) for CO (increase of 558.4 tpy vs. PSD significant emission rate of 100 tpy), NO_x (increase of 79.0 tpy vs. PSD significant emission rate of 40 tpy), and VOC/ozone (increase of 54.6 tpy vs. PSD significant emission rate of 40 tpy), as well as PM_{10}. Only SO_2 would be exempt from further PSD analysis based on appropriate baseline emissions (less than the PSD significant emission rate of 40 tpy).

6. The AAQIR therefore is materially incorrect in that PSD increment analysis is required for CO, NO_x and VOC, as well as PM_{10}, and no such analysis has been performed by the owner/operator or the EPA for CO, NO_x and VOC.

III. Section V (p. 4 of the AAQIR). The BACT analysis should require updated information by the owner/operator (given the extended delay since submission of the application) to address current BACT generally for CO, NO_x, VOC and PM_{10}, and specifically as to the duct burning component of the project. In a recent conversation with Mr. Gary Willey of the APCD, Mr. Willey suggested that current BACT for greenhouse gases (including ammonia)[14] would prevent duct burning because other

[14] Mr. Willey has indicated that the APCD will consider any then applicable APCD required emissions limitations on greenhouse gases in connection with the APCD's final BACT review, as well as BACT for excessive PM_{10} emissions resulting from duct burning.

turbines which would not produce these greenhouse gases, as well as the excess PM_{10} emissions resulting from duct burning, are currently commercially available, albeit at an increased up-front capital cost to the owner/operator. Duct burning contributes disproportionately to the significant unmitigated air quality and public health impacts from the MBPP relating to particulate emissions. This is an area where the EPA should closely investigate BACT. Because commercially available technology exists in terms of more advanced turbines that emit less PM_{10} per MW produced in the absence of duct burning, the proposed use of duct burning for the MBPP modernization project is not BACT.

At the CEC hearings, Duke denied that duct burning at the MBPP will result in any significant unmitigated air quality impacts, relying on the smoke and mirrors of flawed arguments (i.e., Duke's reliance on emissions on a mmBtu/hr basis). As addressed in Exhibit A - CAPE's CEC Opening Brief (pp. 46-49)[15] and Exhibit B - CEC Reply Brief (pp. 20-23),[16] duct burning results in a disproportionately higher amount of PM_{10} emissions, as agreed by the APCD. The relevant point for air quality considerations is not how much PM results per unit of fuel burned, but the level of pollutants per MW produced. Duct firing is less fuel efficient and uses more natural gas, thus, producing more PM emissions per MW of capacity.

The BACT analysis in the AAQIR noted that PM_{10} emissions from cooling towers were not analyzed since the facility will use seawater, not cooling towers, for process cooling. It is critical to note, however, that there has been no final approval by the appropriate state governmental authorities of continuing use of seawater cooling. Any future determination that mandates cooling towers or dry cooling will acquire a new analysis by the EPA of the overall PM_{10} emissions from the project.

IV. Section VI (pp. 4-7 of the AAQIR). CAPE challenges the EPA's preliminary conclusion that the proposed project will not cause a violation of the applicable PSD increments, as set forth in greater detail below.[17]

A. As demonstrated in the discussion in paragraph II above, no conclusions can be made regarding the compliance of the project with NO_x, CO, VOC, and PM_{10} emissions because there has been no submission of a preliminary analysis for any pollutant other than PM_{10} and the analysis for PM_{10} is fundamentally flawed. Use of an appropriate baseline for existing emissions and proper PM_{10} emissions calculations for the new turbines will dramatically influence this analysis for all of these pollutants. It may well show that such emissions from the proposed project will cause a violation of the applicable PSD increments, that would prevent issuance of the PSD permit (and as a

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[15] See, Exhibit A (pp. 46-49) as well as Exhibits L (¶30), G (pp. 30-32, 134), K (pp. 124-125), E (pp. 168-171), F (pp. 32-37), and I (Duke's Response to Data Request No. 6).

[16] See, Exhibit B (pp. 20-23) as well as Exhibits K (p. 125), L (¶30), E (p. 11), G (pp. 7, 30-31, 60-61), F (p. 67) and Application §6.2.6.2.2, Tables 6.2-25 and -26, p. 6.2-42.

[17] CAPE believes the current applicable NAAQS regarding $PM_{10/2.5}$ in particular are far out of date compared to the overwhelming bulk of scientific investigations of the lethal impacts of this pollutant and further believes the now delayed new NAAQS for PM_{10} adopted on September 16, 1997 should be implemented immediately. Under these new standards, the project would not comply with NAAQS if PM_{10} emissions were calculated correctly. However, given the current applicable standards, for the purposes of these comments, CAPE concedes that the old NAAQS, although inadequate to protect public health, are satisfied by the project.

practical matter would require the owner/operator to elect to pursue a smaller, less polluting plant or forego the modification of the existing MBPP altogether).

B. As noted in Section VI.A of the AAQIR, the upper air meteorological data collected for the MBPP site was collected from Vandenburg Air Force Base, which is 45 miles southeast of the plant site. The owner/operator has never provided adequate evidence that this remote site has similar upper air conditions as the MBPP site, nor has it established any upper air meteorological data for the MBPP site itself since the original application was filed. The remote site data is inadequate for modeling purposes. Moreover, the applicant used surface meteorological data collected at the MBPP site during 1994-1996, precisely because it did not include any "unusual weather conditions." See, Exhibit A – CAPE's CEC Opening Brief, p. 25 and footnote 97, as well as the Exhibit referenced therein and attached as Exhibit J to this comment letter. Given the increasing occurrences and impacts of El Nino and La Nina and changing weather patterns in the past ten years in general, the period used by the applicant is not representative for modeling purposes.

Although CAPE supports multiple site ambient air quality data analysis for PM_{10} in Morro Bay, this is totally inadequate to determine the actual emissions of that pollutant from the MBPP, in that current technology does not allow for continuous in-stack monitoring of PM_{10} and ambient PM_{10} measurement cannot be attributed to any particular source at any given time. CAPE believes this leaves the public susceptible to significantly higher than allowable emissions that may spread for miles beyond Morro Bay itself.

C. As to Section VI.B of the AAQIR, CAPE strongly urges reassessment of emissions with a model that acknowledges that PM_{10} emissions are understated by at least 100%, as explained in more detail above in Paragraph II above. The ISC modeling used by Duke is not nearly conservative enough in that it assumes no distribution of particulates beyond a 6 mile radius of the MBPP, whereas all of the scientific literature indicates that particulate emissions are regional pollutants by nature. For example, CEC staff noted that fine particulates may have long lifetimes in the atmosphere and travel hundreds to thousands of kilometers.[18] In addition, the modeling assumed no severe meteorological conditions that do in fact and rather commonly occur such as El Nino or La Nina years. See, Exhibit A - CAPE's CEC Opening Brief, p. 25 and footnote 97. In addition, the modeling ignored Duke's own worst case operating scenario (as set forth in its application – Appendix 6.2-2, Table 6.2-2.2),[19] and did not include any multi-hour effects or any account of recirculation of accumulated particulate concentrations resulting from continuous operations.[20]

D. Section VI.C provides in Table 2 an analysis of worst case ground level concentrations of applicable pollutants. This analysis is based on false data and

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[18] See also, Exhibit B - CAPE's CEC Reply Brief, p. 7 and note 19 as well as Appendix A, p. 3-4-17 (3rd ¶) of the CEC Final Staff Assessment, Part 1, dated December 11, 2001, which CAPE has been advised is already in the EPA administrative record in this matter.

[19] See also, Exhibit A - CAPE's CEC Opening Brief, p. 26, as well as the exhibits referenced therein and attached as Exhibit E (pp. 159-160, 218-219) to this comment letter, and Application Appendix 6.2-2, Table 6.2-2.2.

[20] See, Exhibit A - CAPE's CEC Opening Brief (pp. 25-28), as well as the exhibits referenced therein and attached as Exhibit E (pp. 210-211, 217-28, 239-240) and the Final Staff Assessment, Part 1 (p. 34) and attached FDOC, p. 6, §V and p. 13, §VIII E and Appendix E.

assumptions as to emissions data. For example, in contrast to footnote 2 on page 6 of the AAQIR, NO_x, CO and VOC should be subject to PSD review for this project. No conclusions as to PSD increment analysis can be made at this point without accurate data. However, if the PM_{10} emissions are in fact being understated by half as described above, presumably the 24-hr average would be at least 48.4 μ/m^3, which significantly exceeds the PSD Class II Increment of 30 μ/m^3. This would require a significant downsizing of the project in terms of particulate emissions.

V. Section VII.A of the AAQIR. This section addresses the visibility analysis provided by the applicant which the EPA has accepted as presented, concluding the maximum visibility impact is within the allowable level of acceptable change to extinction. However, this conclusion is premature because the modeling used by the applicant included the inappropriate PM_{10} emission rates. The application (pp. 6.2-60 to 6.2-71, as well as Tables 6.2-49 and 6.2-50) indicates that turbine emissions used in the ISCST3 modeling analysis of visibility impacts were identical to those used in modeling the other impacts from the Project. As made clear in Paragraph II.A above, the PM_{10} emissions rate for this project is understated by at least 100%. Table 6.2-50 of the application show a calculation based on the dramatically understated PM_{10} emissions with a percent change in extinction of 4.07 compared to the level of acceptable change of 5 percent for the Class I area. A proper calculation of PM emission rates may well result in a percent change in extinction that exceeds the acceptable change level.

VI. Section VII.B of the AAQIR. It is untrue that the "MBPP has operated and coexisted without incident in proximity to agricultural uses since operations began in the 1950s." The EPA should require the owner/operator to provide copies of all complaints received from local residents as to fallout from the plant which damaged personal property (such as vehicles) and local vegetation, as well as the relevant portions of the CEC transcripts and evidence relating to such complaints made at the CEC hearings regarding this issue. It is also premature to conclude that the new operations (with significantly higher emissions of all pollutants, and especially PM_{10}, when an appropriate baseline is utilized) will not result in significant impacts to soils and vegetation.

VI. Conclusion. For all of the reasons discussed above, CAPE strongly urges the EPA to conclude that PSD analysis must be provided for all pollutants based on an appropriate baseline emissions period and that PM_{10} emissions will clearly cause an exceedance of PM_{10} PSD increments. Such conclusions would not allow issuance of a permit for the MBPP project as currently proposed.

Proposed PSD Permit Conditions Comments

In Section IX.A.2, the EPA appropriately requires performance tests in accordance with the test methods for PM_{10} using EPA Methods 5 and 202. As noted above, this should raise a red flag for the EPA when the testimony of Duke's expert (Gary Rubenstein) is taken into account, inasmuch as the emissions figure for the condensable particulates of the new turbines was based on his use of EPA Method 8, rather than the approved EPA Method 202. See also, Exhibits L and N to this comment letter.

Within CAPE's budget limitations, we are happy to provide further information, should the EPA deem it helpful. Enclosed for your convenience are copies of CAPE's CEC Opening Brief and CAPE's CEC Reply Brief, as well as the specific pages of transcripts cited in those briefs and CEC Exhibits cited therein to the extent relevant to the EPA proceeding. Also enclosed are copies of the other relevant CEC filings and newspaper articles cited herein. Please refer to the enclosed "CAPE's EPA

Comment Letter Exhibit List" and the Exhibits attached thereto. It is respectfully requested that this letter, as well as all of the enclosed Exhibits to this letter, be entered into the administrative record of this matter for consideration by the EPA in its final determination of PSD compliance. To the extent that the EPA allows or demands that the applicant (MBPP owner/operator) provide further relevant information, CAPE requests that such information be made available to it for further comment before the EPA makes its final determination of PSD compliance for the proposed MBPP project.

Sincerely,

The Coastal Alliance on Plant Expansion

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[Title]

Enclosures (Exhibit List and Exhibits)

ENDORSEMENTS

Each of the following individuals live, own property and/or work within the regions that will be affected by the MBPP project and support the position taken by CAPE on the issues before the EPA.

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