



MEMO

TO: AQ/Facilities/FACOP/ TV-32-00055

FROM: Matthew M. Williams *MMW*
Facilities Permitting Chief
Northwest Regional Office

THROUGH Lori McNabb *LLM*
Air Quality Program Manager
Northwest Regional Office

DATE February 26, 2026

RE Title V OP Significant Modification & TVOP Renewal
AUTH# 1518562; 1538234;1541908
PF #262713; APS #941736
Homer City Generation, LP
Homer City Gen LP / Center Twp.
Center Township, Indiana County

MESSAGE:

Introduction

The subject application is for the Significant Modifications of the Operating Permit for Homer City Generation and the renewal of the Title V Permit. The Title V Permit was originally issued in 2004. The permit was amended, modified, and renewed several times since the original Title V issuance. The current Significant Modifications and Renewal are required to memorialize the facility's decision to cease electrical generation with the coal fired boilers as of June 30, 2023, remove the sources no longer in operation, and include the Emission Reduction Credits authorized by the Department in August 6, 2025, Review of Emission Reduction Credit Application Memo as well as other ERCs obtained external to Homer City.

The first permit modification application (Auth 1518562) was received on February 11, 2025. The application fee was only partially paid (\$1,500) and the application did not fully explain the purpose of the modification. On March 6, 2025, the application was supplemented with the revised application and additional fee amount (\$2,500). The fee for a Sig Mod (\$4,000) was satisfied, and the original application notices and Compliance Review Form were

administratively complete. With the additional submittal on March 6, 2025, the first Sig Mod application was determined to be administratively complete on March 7, 2025.

The facility determined they needed additional VOC credits for Plan Approval 32-00457A and are placing those additional Emission Reduction Credits in the current TV OP 32-00055 and therefore submitted a renewal application on August 19, 2025. The renewal application (Auth #1538234) was determined administratively complete on August 22, 2025.

The facility also submitted a second permit modification (Auth #1541908) on September 15, 2025. The second modification provided the information from the approvals from New York and outside of the Homer City facility for ERCs for Plan Approval 32-00457A. The North West Regional Office obtained the approval letters for the additional ERCs from Central Office which are summarized below in Table 1:

Table 1: ERC-Generating Facilities and VOC ERCs

Facility	Location	VOC ERCs (TPY)
INDSPEC	Butler County (PA)	199.54
Mack Trucks Macungie	Lehigh County (PA)	81.00
Ball Metal Beverage	Orange County (NY)	46.08
Bemis Hazelton	Luzerne County (PA)	24.18
Huntley Power	Erie County (NY)	21.11
Dunkirk Power	Chautauqua County (NY)	7.90
Cambria Cogen	Cambria County (PA)	6.4

In addition, the Air Quality Modeling and Risk Assessment Section provided a Trajectory Analysis to support the emission reduction credits use and transfer. The memo is dated September 5, 2025.

The above credits were included in the permit (modifications and renewal combined).

Site Level Requirements

The facility is required to comply with fugitive, fugitive particulate, malodor, visible emission and open burning requirements found in 25 Pa. Code §§123.1, 123.2, 123.31, 123.41, 123.42, 123.43, and 129.14 respectively. The facility must keep records of the daily monitoring of the facility for the presence of fugitive emissions and visible emissions. The facility is required to keep records of the facility-wide emissions and must provide emission statements in accordance with §§135.3, 135.4, 135.5, and 135.21. An additional requirement in 127.511 was listed in the site level that included the previous sources and the respective control devices which shall no longer operate. The Site Level continues to contain the requirements for testing if required by the Department (pertaining to measurement of fugitive opacity) and monitoring for the presence of visible fugitive emissions and presence of odors when the facility is operating. The inspections related to these observations are contained as recordkeeping and reporting requirements in the Site Level. Emission inventory requirements are retained for any remaining reporting of

emissions until the permit is revoked. The semi-annual reporting and annual reporting requirements also remain in the Site Level. Plan Approval PA 32-00055C, Condition #006 remains in the permit as a reasonable demonstration of compliance with the fugitive emissions (water truck for the roads, paving requirements, and speed limits to reduce carry-out of fugitives from the vehicles leaving the facility). The fuel restriction from the FIP Group was moved to the Site Level. The requirement states Source 031, Source 032, and Source 033 may not operate after June 30, 2023. Additional authority for this permit condition was derived from 40 CFR Section 51.308(f)(2) regarding Regional Haze.

Source Level Requirements

After removal of the sources (as explained in the paragraph below). The only source which remains is the onsite landfill and the Miscellaneous Plant Fugitives (Source 104) which includes the plant haul roads. The requirements for this source are found in Section C of the permit.

Changes to the Permit

The ERC additional requirements were included in Section C of the Permit as follows:

a) The following sources are permanently shut down as of August 31, 2023, and prohibited from operation:

- 1) Source 031 Boiler No. 1
- 2) Source 032 Boiler No. 2
- 3) Source 033 Boiler No. 3
- 4) Source 037 B&W Auxiliary Boiler
- 5) Source 101 Oil Fired Space Heaters
- 6) Source 107 Three Anhydrous Ammonia Storage Tanks
- 7) Source 108 Limestone and Gypsum Storage Tanks
- 8) Source 109 Activated Carbon Storage & Handling
- 9) Source 110 Lime Byproduct Storage & Handling System
- 10) Source 111 Emergency Diesel Generator (855 BHP)
- 11) Source 112 Diesel Fire Pump (330 BHP)
- 12) Source 113 Emergency Diesel Generator (800 BHP)
- 13) Source 114 Unit Mix Coal Blending Yard

b) The facility generated the following Emission Reduction Credits (ERCs): VOC 11.3 tpy; NOx 2,031.8 tpy; PM2.5 220.1 tpy. [Based on the shutdown of Boiler 1, 2, and 3]

c) ERCs generated by the curtailment or shutdown of a facility which are not included in a plan approval and used as offsets will expire for use as offsets 10 years after the date the facility ceased emitting the ERC generating emissions. The use of these ERCs in applicability

determinations for netting purposes is limited to the period specified in 25 PA Code 127.203a(a)(1). [25 PA Code 127.206(f)]

d) The expiration date of ERCs may not extend beyond the 10-year period allowed by subsection (f), if the ERCs are included in a plan approval but are not used and are subsequently reentered in the registry. [25 PA Code 127.206(g)]

e) ERCs may not be entered into the ERC registry until the emission reduction generating the ERCs has been certified by the Department in accordance with the criteria for ERC generation and creation contained in 25 PA Code 127.207 (relating to creditable emissions decrease or ERC generation and creation). [25 PA Code 127.206(j)]

f) ERCs may not be traded to facilities under different ownership until the emissions reduction generating the ERCs is made Federally enforceable. [25 PA Code 127.206(l)]

g) ERCs transferred from one facility to another may not be transferred to a third party, unless the transfer of the ERCs is processed by the Department through the ERC registry system. [25 PA Code 127.206(n)]

h) Pursuant to the provisions of 25 Pa. Code 127.207(7), if equipment has not been dismantled or removed, the owner or operator shall on an annual basis certify in writing to the Department the continuance of the shutdown.

i) The facility and any subsequent user of these credits shall comply with the requirements of 25 PA Code 127.206, 127.207, and 127.208, regarding ERC use and transfer requirements.

j) These ERCs may be used, traded, or sold after the approved entry of the ERCs by the Department into the Pennsylvania ERC Registry System.

k) If the company wishes to restart any of the sources, a plan approval application shall be submitted.

Sources 031, 032, 033, 037, 101, 107, 108, 109, 110, 111, 112, 113, and 114 (and their associated controls and stacks) were removed from the permit. The requirements associated with these sources and the controls for these sources were removed from the Source Level (Section D), the Group Level (Section E), and the Emission Restriction Summary Section of the permit (Section G). The responsible official was updated to reflect the Sig Mod application with Michael J. Levesque – COO as the responsible official mievesque@homercityredevelopment.com. It was again revised with the responsible official being delegated by Corey Hessen, Chief Executive Officer of HCG GP LLC to Joel S. Heiser, General Counsel and Secretary jheiser@homercityredevelopment.com. The elective emission restriction for VOC (below 50 TPY) is no longer needed since the boilers and other sources are no longer operational and it was removed from the Site Level of the permit. The addresses for

reporting related to the NSPS (40 CFR Part 60, Subpart A) are no longer relevant and were removed from the permit.

In addition to the above changes, the ERCs identified in the second modification (see Table 1 above) were added to the site level of the permit as indicated in the following condition:

This Title V Operating Permit authorizes the transfer and use of the following VOC ERCs and indicates the Department's approval of the ERC transfer and use. Upon the issuance of this Title V Operating Permit, the ERCs are no longer subject to expiration under § 127.206(f) (relating to ERC general requirements) except as specified in § 127.206(g). In accordance with 25 Pa. Code § 127.208(2), the Department authorizes the transfer and use of the entirety of the VOC emission reduction credits (ERCs) from the following facilities to Homer City Generation LP for offset purposes at the Homer City Generation Station referred to in Plan Approval 32-00457A, Section C- Condition #022 which requires the permittee to purchase and apply 369.035 tons per year of VOC ERCs prior to commencing operation of any source at the facility to offset the total of the net increase in potential to emit.:

INDSPEC - Butler County, PA 199.54 TPY

Mack Trucks Macungie - Lehigh County, PA 81 TPY

Ball Metal Beverage - Orange County, NY 46.08 TPY

Bemis Hazelton - Luzerne County, PA 24.18 TPY

Huntley Power - Erie County, NY 21.11 TPY

Dunkirk Power - Chautauqua County, NY 7.90 TPY

Cambria Cogen - Cambria County, PA 6.4 TPY

Homer City (Boilers 1,2,and 3 permanent shutdown) - Indiana County, PA 11.30 TPY

Section H of the permit was updated in paragraph (c). Starting with the current renewal permit (2025), Mr. Shawn T. Simmers - Director of Environmental Compliance will serve as the Alternate Responsible Official. The facility provided the revised Delegation of Authority letter to the Department on October 6, 2025, indicating that Gary Cline would be delisted as the alternate RO and Mr. Simmers would instead be added as the alternate RO.

Comments Received on the Draft Permit

The DEP received comments from 16 individuals and 1 combined letter from Earth Justice, Clean Air Council, Citizens for Pennsylvania's Future, and the Sierra Club on the draft permit. The DEP prepared a Comment and Response Document to address each of the comments. The DEP also conducted additional review of the ERCs from the previously mentioned facilities and determined there were no additional requirements to reduce the ERCs except for the Dunkirk Power ERCs (7.90 TPY) which expired December 30, 2025. The only change to the permit that occurred after the comment period was the removal of Dunkirk Power ERCs. Refer to the Comment & Response Document for Homer City TVOP 32-00055 Renewal and Permit Modification memo for additional details on the comments and the DEP responses. Also refer to the Indspec Available ERCs after Potential RACT Reduction review memo for additional details

on how the DEP arrived at the conclusion that the ERCs from Indspec did not need to be reduced from the credits previously identified in the ERC Registry.

Recommendation

The draft Operating Permit for the first modification was submitted to the company on March 7, 2025, for their review. The facility responded with comments on March 24, 2025. The comments were that there were additional sources listed in the Miscellaneous Section of the Permit that should be removed because they are no longer at the site. This included paragraph (b.1) – Sources FO2 Coal Handling Units 1 and 2, F03 Coal Handling Units 3, F06 Cooling Towers and all the sources in paragraph (b.2). The facility also explained the difference in the shutdown date. Although the facility agreed to the permit condition that Sources 031, 032, and 033 may not operate after June 30, 2023, they were legally required by PJM to be available until August 31, 2023. The units were not needed by PJM nor were they operated after June 30, 2023, so both conditions are compliant. The notice of Intent to Issue the first modification was published in the Pa Bulletin on April 5, 2025. The newspaper notice for intent to issue the first Sig Mod was sent to the facility on March 24, 2025, and published on March 28, April 4, and April 11, 2025. The draft permit was sent to the USEPA for their review on March 24, 2025. The DEP received comments from Sierra Club and Earth Justice on the ERCs generated by the shut down of units 1, 2, and 3 on May 5, 2025. The DEP carefully considered the comments and requested the facility revise the ERC application to account for the 30-day RACT limit. The DEP outlined the deficiency in the July 7, 2025, letter to Homer City. The facility submitted a revised ERC application on July 31, 2025. The DEP August 6, 2025, Review Of Emission Reduction Credit Application Memo memorialized the change in the ERCs generated by units 1, 2, and 3 by reducing the NOx ERCs to 2,031.8 TPY.

The combination draft renewal and modification was submitted to the facility on October 2, 2025. The renewal/modification was submitted to the Pa Bulletin on November 1, 2025. The Notice of Intent to Issue was also placed in the newspaper on October 28, 29, and 30, 2025. The renewal/modification was submitted to the US EPA on October 15, 2025. The comment period expired on December 1, 2025.

Issuance of the Operating Permit for Auth# 1538234 which combines Auth #1518562 and Auth # 1541908) is recommended with the changes stated in this memo.

cc: D. Dyll - AQDS