





pennsylvania


DEPARTMENT OF ENVIRONMENTAL
PROTECTION
SOUTHWEST REGIONAL OFFICE – AIR QUALITY PROGRAM

MEMO

TO Air Quality Permit File PA-63-00922D

FROM Alexander Sandy 
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THROUGH Edward F. Orris, P.E. 
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DATE April 18, 2019

RE Construction Period Extension Request
Robinson Power Company, LLC
Beech Hollow Project / Combined Cycle Gas Turbine Electric Generating Facility
Robinson Township, Washington County
APS 893311 Auth 1232536 PF 650405

Background

On January 25, 2019, the Department received a request from Burns and McDonnell Engineering Company, Inc. on behalf of Robinson Power Company, LLC (Robinson) to extend the initial construction period for the proposed natural gas-fired combined cycle power plant to be located Robinson Township, Washington County; approved under PA-63-00922D on October 27, 2017, and modified on October 4, 2018.

The plan approval expires on October 27, 2020; however, construction must commence within 18 months of the issuance of this plan approval, which is by April 27, 2019. According to the applicant, construction will not commence prior to that date, therefore an extension of the construction period has been requested.

Regulatory Analysis

In accordance with PA-63-00922D, Section B, Condition #006(c) and 25 Pa. Code §127.13(b), "If the construction, modification or installation is not commenced within 18 months of the issuance of this plan approval or if there is more than an 18-month lapse in construction, modification or installation, a new plan approval application that meets the requirements of 25 Pa. Code Chapter 127, Subchapter B (related to plan approval requirements), Subchapter D (related to prevention of significant deterioration of air quality), and

Subchapter E (related to new source review) shall be demonstrated. The Department may extend the 18-month period upon a satisfactory showing that an extension is justified.”

Furthermore, in accordance with 40 CFR 52.21(r)(2), “Approval to construct shall become invalid if construction is not commenced within 18 months after receipt of such approval, if construction is discontinued for a period of 18 months or more, or if construction is not completed within a reasonable time. The Administrator may extend the 18-month period upon a satisfactory showing that an extension is justified...”

As part of the extension period request, Robinson provided the following reasoning for why construction has not commenced, a re-evaluation of regulatory applicability, and an updated BACT/LAER/BAT analysis. Robinson’s conclusion is that no new requirements apply, and that the extension is justified with no changes.

- The engineering for the Project has been updated. The engineering plans took several months to re-evaluate given current market conditions and plans for the Project moving forward were put into place. The Project has been seeking final financial backing. Investors are being brought into the Project now and thus the Project is moving forward.
- Because final financial backing had not been secured and due to the re-evaluation of the engineering, the National Pollutant Discharge Elimination System (NPDES) construction stormwater permit for the generation facility was not submitted for approval until January 2019. Based on timeframes cited by Pennsylvania Department of Environmental Protection (DEP), approval for this permit will not be issued until the June/July 2019 timeframe. As such, on-site construction cannot commence until the NPDES permit approval is granted.

According to the extension request received on January 25, 2019, the new project schedule is as follows:

- Work is expected to commence in summer 2019, if financial close and permit approvals that allow construction are finalized within that timeframe; including breaking ground and performing geotechnical work in mid to late summer.
- It is expected that placing foundations for the air emissions units would begin in the fall of 2019 (commencement of construction) and continue through the spring of 2020.
- Construction, startup and commissioning will likely take 3 years (approximate facility commence operation date of July 2022) and thus an extension of the expiration date of the plan approval has been requested to accommodate the construction schedule for the project¹.
- In accordance with the Acid Rain provisions in Title IV of the Clean Air Act, it is expected that the Acid Rain permit application will be submitted in July 2019, after receiving an ORIS code from the Energy Information Administration for the facility.

¹ Although extension of the expiration date of the plan approval will likely be required due to the length of the expected construction period, that will be processed as a separate action by the Department at a later date.

State Regulations

Upon review of changes to the Department's air quality regulations since issuance of this plan approval, there are no new applicable requirements to the sources at Robinson. Regulations that were finalized since the issuance of this plan approval which are not applicable include: electronic submission of General Plan Approval and General Operating Permit applications, repeal of gasoline volatility requirements, and control of VOC emissions from industrial cleaning solvents.

Federal Regulations

Upon review of applicable Federal regulations since the issuance of this plan approval, there have been no changes to the New Source Performance Standards, National Emission Standards for Hazardous Air Pollutants, Prevention of Significant Deterioration, Nonattainment New Source Review, of other Federal regulations that are applicable to the sources at Robinson.

BACT

The proposed facility is considered a major facility for NO₂, CO, PM₁₀, and PM_{2.5}, and therefore subject to the requirements of 40 CFR 52.21 including BACT.

On January 31, 2014, the EPA issued a memorandum for guidance on the Extension of Prevention of Significant Deterioration (PSD) under 40 CFR 52.21(r)(2).² The purpose of this memorandum is to clarify the EPA's views on what constitutes adequate justification for an extension of the 18-month timeframe for commencing construction of a source granted a preconstruction permit under the PSD provisions. Per the FIRST PERMIT EXTENSION REQUEST section of the memo, "In accordance with 40 CFR 51.21(r)(2), a permittee's first PSD permit extension request should include a detailed justification of why the source cannot commence construction within the initial 18-month deadline. For example, relevant factors for this justification could include ongoing litigation over the PSD permit, natural disasters that directly affect the facility, significant or economic impediments (*including inability to secure financial resources necessary to commence construction*) and/or delays in *obtaining other required permits*."

Furthermore, the EPA believes that in order to give meaning to the extension provision in 40 CFR 52.21(r)(2), review or redo of substantive permit analysis such as BACT, air quality impact analysis (AQIA) or PSD increment consumption analyses should generally not be necessary for a first permit extension request."

Regardless, the applicant re-evaluated BACT. Upon review of the RACT/BACT/LAER Clearinghouse, the applicant determined that the BACT established in this plan approval is still current. After review of the Department's internal Combustion Turbine Comparison spreadsheet, the BACT established in this plan approval is still consistent with other similar facilities in Pennsylvania.

LAER

The proposed facility will exceed the nonattainment new source review (NNSR) major source threshold for NO_x. Robinson is therefore subject to LAER requirements for NO_x. This plan approval has a LAER emission limitation of 2 ppmvd @ 15% O₂ on a 1-hour average NO_x. After review of the RBLC and the Department's internal Combustion Turbine Comparison spreadsheet, the lowest NO_x rate permitted is still 2 ppm.

² <https://www.epa.gov/sites/production/files/2015-07/documents/extend14.pdf>

Public Notice

Per EPA's memorandum, "Public notice and comment is not necessary for permit extension actions that would simply extend the deadline for commencing construction without reconsideration or amendment of the substantive conditions of the permit." As such, no public comment period will be held prior to granting the extension. The public will be notified of the Department's decision to extend the 18-month period via publication in the *Pennsylvania Bulletin*. The original expiration date of this plan approval will be unaffected by this action.

Conclusions and Recommendations

After review, I recommend extension of the construction period for 18-months, expiring on the expiration date of this plan approval, October 27, 2020. Extension of the expiration date, if necessary, will be processed separately at a later date.