



Oregon

Kate Brown, Governor

Department of Environmental Quality
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May 28, 2020

Dennis Winn
Managing Director
Klamath Energy LLC
4940 Hwy 97 S
Klamath Falls, OR 97604

Re: Regional Haze Four Factor Analysis, Klamath Energy LLC, 18-0003

Dear Dennis:

Thank you for your letter dated May 18, 2020 regarding Round 2 (2021-2028) of the Regional Haze program and the requested four factor analysis for your facility (18-0003).

As you may know, the Regional Haze Rule (40 CFR 51.308) was issued as part of the Clean Air Act on July 1, 1999. The goal of the Regional Haze program is to improve visibility conditions in Class I Areas back to natural conditions by 2064. Regional Haze is a long term program that sets goals for visibility improvement in 10-year periods of time from 2004 through to 2064, with interim checks on visibility conditions every 5 years. The letter we sent to you regarding four factor analysis on December 24, 2019, was in regard to the requirements for Round 2 of the Regional Haze program, as detailed in 40 CFR 51.308(f), for the period from 2021 to 2028.

The May 18, 2020 letter memorializes the conversation between Michael Orman and Tom Wood, your legal counsel. In that conversation, and in the letter, Klamath Energy LLC proposes to have the Klamath Energy facility (18-0003) screen out of the Round 2 Regional Haze Four Factor Analysis process based on planned installations of Ultra-Low NO_x burners on the facility's combined cycle combustion turbines (emissions units CT1 and CT2) by May 31, 2021 for CT2 and May 31, 2022 for CT1, which will reduce the facility's emissions to below the screening threshold of Q/d of 5. This threshold is specific to Round 2 (2021-2028) of the Regional Haze Program.

These upgrades are anticipated to reduce the facility PSEL to 122 tons per year (tpy) for PM₁₀, SO₂, and NO_x combined, and reduce the Q/d to less than 5. Specific pollutant levels will be assigned in the permit modification or renewal process. DEQ used the 2017 PSEL to screen Oregon Title V facilities for applicability to conduct four factor analyses for the 2018-2028 round of the Regional Haze Program under Clean Air Act 40 CFR 51.308(f). The proposed emissions, 2017 PSELs, and 2017 Actuals found in the 2017 National Emissions Inventory are listed in the table below.

Facility Emissions	NO _x	PM ₁₀	SO ₂	Q	d	Q/d
2017 PSEL	314	48	39	401	24.45 km	16.4
2017 NEI Actual	143.0	19.6	6.4	169	24.45 km	6.91
This proposal	122 tpy			122 tpy	24.45 km	4.99

DEQ agrees with Klamath Energy's outlined proposal, based on anticipated emissions reductions from the installations of Ultra-Low NOx burners at the Klamath Energy facility. DEQ considers this letter the conclusion of the process for the Klamath Energy facility for the Second Planning Period of the Regional Haze Program.

Any permit changes related to the Regional Haze program will need to be federally enforceable by the July 31, 2021 submission date for the State Implementation Plan. DEQ has confirmed with EPA that this means the combined limitation on Regional Haze precursor PSEs and unassigned emissions agreed to by Klamath Energy LLC must be included in a final permit issued no later than June 30, 2021.

As discussed, Klamath Energy LLC will submit a permit modification application for the updated PSEs to DEQ by no later than August 1, 2020. If you fail to do so, DEQ will consider you out of compliance with the four factor analysis requirements as outlined in DEQ's letter to Klamath Energy dated December 23, 2019, and you may be subject to enforcement, including civil penalties. DEQ will document this action in the facility's permit. DEQ may reopen any issued permit to include applicable requirements consistent with Oregon Regional Haze regulations. In alignment with 40 CFR 51.308, Oregon sources may be subject to reexamination of visibility impacts if new information warrants reassessment.

Thank you again for your commitment to protecting air quality and improving visibility in Oregon's National Parks and Wilderness Areas. If you have any questions about the content of this letter or need technical assistance, please feel free to contact D Pei Wu, PhD, at wu.d@deq.state.or.us or 503-229-5269.

Sincerely,



Ali Mirzakhali, Air Quality Division Administrator
Oregon Department of Environmental Quality

CC: Michael Orman, Air Quality Planning Section Manager, DEQ
D Pei Wu, PhD, Air Quality Planner, DEQ
Walt West, Senior Environmental Engineer, Air Quality, Eastern Region, DEQ
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Tom Wood, Stoel Rives LLP