

Appendix B

CLECO

BART Determination and Evaluation

STATE OF LOUISIANA
DEPARTMENT OF ENVIRONMENTAL QUALITY

OFFICE OF ENVIRONMENTAL SERVICES

IN THE MATTER OF

CLECO POWER, LLC
RAPIDES PARISH
BRAME ENERGY CENTER

PROCEEDINGS UNDER THE LOUISIANA
ENVIRONMENTAL QUALITY ACT,
La. R.S. 30:2001, ET SEQ.

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REGIONAL HAZE
STATE IMPLEMENTATION PLAN
EGU BART ANALYSIS

AGENCY INTEREST NO. 2992

ADMINISTRATIVE ORDER ON CONSENT

The following **ADMINISTRATIVE ORDER ON CONSENT** is issued this day to **CLECO POWER, LLC (RESPONDENT)** by the Louisiana Department of Environmental Quality (the Department), under the authority granted by the Louisiana Environmental Quality Act (the Act), La. R.S. 30:2001, *et seq.*, and particularly by La. R.S. 30:2011(D)(6) and (D)(14). The Respondent consents to the requirements set forth below.

FINDINGS OF FACT

I.

The Respondent owns and/or operates two electrical generating units (EGUs) located at 275 Rodemacher Road in Lena, Rapides Parish, Louisiana (the "Facility"). Nesbitt I (Unit 1) is a 440 megawatt (MW) EGU boiler that currently combusts natural gas to produce electricity. Rodemacher II (Unit 2) is a 523 MW wall-fired EGU boiler that currently combusts Powder River Basin (PRB) coal to produce electricity. The Facility currently operates Unit 1 and Unit 2 pursuant to Title V Permit 2360-0003-V3 issued on April 25, 2016.

II.

Under Clean Air Act (CAA) section 110, each state must prepare and submit for the U.S. Environmental Protection Agency (EPA) approval, a State Implementation Plan (SIP) that provides for the implementation, maintenance and enforcement of the National Ambient Air Quality Standards (NAAQS) in each air quality control region within the state.

III.

In addition to the general SIP requirements, in CAA section 169A, 42 U.S.C. §7491, Congress created a program for protecting visibility in the nation's national parks and wilderness areas. This section establishes as a national goal the "prevention of any future, and the remedying of any existing, impairment of visibility" in those national parks and wilderness areas identified as "Class I" areas under CAA section 161, 42 U.S.C. §7472(a), 42 U.S.C. §7491.

IV.

Under CAA section 169A and its associated implementing regulations, states must assure the reasonable progress toward the goal of achieving natural visibility conditions in Class I areas by preparing, and submitting for EPA approval, a Regional Haze SIP. *See generally*, 42 U.S.C. §7491; 40 C.F.R. §51.308.

V.

To comply with the requirements set forth in CAA section 169A and the implementing regulations, the Department submitted a proposed SIP on behalf of the State of Louisiana to EPA Region VI on June 13, 2008.

VI.

On June 7, 2012, EPA promulgated a final limited disapproval of Louisiana's SIP relating to the state's reliance on the Clean Air Interstate Rule ("CAIR") to satisfy certain regional haze requirements. *See*, 77 Fed. Reg. 33,641 (June 7, 2012).

VII.

On July 3, 2012, the EPA promulgated a final rule, entitled “Approval and Promulgation of Implementation Plans; Louisiana; Regional Haze State Implementation Plan” pursuant to its statutory authority under the CAA, 42 U.S.C. §7401 *et seq.* See, 77 Fed. Reg. 39,425 (July 3, 2012). In the final rule, the EPA finalized under CAA section 110(k), 42 U.S.C. §7410(k), a partial limited approval and partial disapproval of the Regional Haze SIP submitted to EPA by the State of Louisiana, through the Department on June 13, 2008.

VIII.

On April 18, 2016, Respondent submitted a “BART Five-Factor Analysis” to EPA and LDEQ that addressed BART for Brame Unit 1 and Brame Unit 2.

ADMINISTRATIVE ORDER

Based on the foregoing, the Department **hereby orders**, and the Respondent hereby **agrees** that:

I.

The Respondent shall comply with the sulfur dioxide (SO₂) emissions limitations set forth below as expeditiously as practicable, but no later than one year of the effective date of a final SIP pursuant to 40 CFR Part 51, Appendix Y:

Source ID	Source Description	Sulfur Dioxide (SO ₂) Limit
EQT002	1-72 Unit 1 Boiler	3.0 lb/hr SO ₂ (30-day rolling average) based on use of natural gas only
EQT004	1-74 Unit 2 Boiler	0.3 lb of SO ₂ /MMBtu (30-day rolling average) *

* SO₂ limit for Unit 2 will be achieved through use of an enhanced dry sorbent injection (DSI) system, retrofit of Unit 2 to combust natural gas only, retirement of unit, or another means of achieving compliance with emissions limit.

II.

With respect to nitrogen oxide (NO_x) emissions limits to achieve BART, the Respondent shall ensure that Unit 1 and Unit 2 comply with the Cross-State Air Pollution Rule (CSAPR) set forth in 40 CFR Part 97, Subpart BBBBBB.

III.

The Respondent shall comply with the particulate matter less than 10 microns (PM₁₀) emissions limitations set forth below as expeditiously as practicable but no later than one year of the effective date of a final SIP pursuant to 40 CFR Part 51, Appendix Y:

Source ID	Source Description	Particulate Matter (PM ₁₀) Limit
EQT002	1-72 Unit 1 Boiler	37.3 lb/hr PM ₁₀ (30-day rolling average) based on use of natural gas only
EQT004	1-74 Unit 2 Boiler	545 lb/hr PM ₁₀ (30-day rolling average)*

* PM₁₀ limits for Unit 2 will be achieved through use of an electrostatic precipitator (ESP) and use of fabric filter downstream of the existing DSI system, retrofit of Unit 2 to combust natural gas only, retirement of unit, or another means of achieving compliance with emissions limit.

IV.

If the Respondent intends to operate Unit 1 (EQT002) by combusting fuel oil, the Respondent shall conduct a BART analysis for this EGU based on this fuel type. The Respondent further agrees not to combust fuel oil until the BART analysis is approved by the LDEQ and EPA.

V.

The Respondent shall continue to comply with all reporting and record keeping requirements contained within all applicable permits.

VI.

To the extent required by law, further proceedings relating to this **ADMINISTRATIVE ORDER** will be governed by the Administrative Procedure Act, La. R.S. 49.950, *et seq.*

VII.

Under CAA section 504(a), permits issued under this section shall include enforceable emission limitations and standards. In accordance with CAA section 504(a), the Department shall modify Title V Permit 2360-0003-V3 to incorporate the federally enforceable limitations listed herein.

VIII.

This **ADMINISTRATIVE ORDER ON CONSENT** may be executed in counterparts, each of which may be executed by one (1) or more of the signatory parties hereto. Signature pages may be detached from the counterparts and attached to one or more copies of this Agreement to form multiple legally effective documents. Facsimile signatures shall be sufficient in lieu of original signatures.

IX.

For each action or event described herein, the Department reserves the right to seek compliance with its rules and regulations in any manner allowed by law, and nothing herein shall be construed to preclude the right to seek such compliance.

X.

This **ADMINISTRATIVE ORDER ON CONSENT** may be amended by mutual consent of the Department and Respondent. Such amendments shall be in writing, shall follow proper SIP procedures and be submitted to EPA as a SIP revision, and shall be final and effective upon signature by an authorized representative of the Department and signature by the authorized representative of the Respondent.

XI.

The following paragraph addresses transfers of the obligations of this **ADMINISTRATIVE**

ORDER ON CONSENT and the Facility:

- A) The obligations of this **ADMINISTRATIVE ORDER ON CONSENT** apply to and are binding upon the United States and the State Parties and upon the Respondent and its officers, employees, Agents, subsidiaries, successors, assigns, or other entities or persons otherwise bound by law.
- B) Prior to the execution of any agreement for the transfer of ownership or operation of the Facility, the Respondent shall provide notice of and a copy of this **ADMINISTRATIVE ORDER ON CONSENT** to the proposed transferee. No transfer of ownership or operation of any portion of the Facility shall relieve the Respondent of its obligation to ensure that the terms of this **ADMINISTRATIVE ORDER ON CONSENT** is implemented unless at least 30 days prior to such transfer, the Respondent provides written notice of the prospective transfer to the EPA Region 6 and the Department and the prospective transferee executes an **ADMINISTRATIVE ORDER ON CONSENT** with the Department prior to the effective date of the transfer providing for continued compliance with these standards. The Notice of Transfer shall clearly identify the parties responsible for any existing violations of this **ADMINISTRATIVE ORDER ON CONSENT** and otherwise comply with LAC 33:I.1907. Any attempt to transfer ownership or operation of the Facility without complying with this Paragraph constitutes a violation of this **ADMINISTRATIVE ORDER ON CONSENT**.

XII.

This **ADMINISTRATIVE ORDER ON CONSENT** shall be final and effective upon final approval of a SIP by EPA and signature by an authorized representative of the Department and signature by the authorized representative of the Respondent, provided that the federally enforceable limits set

forth herein shall not become effective until the final approval by EPA of the SIP as it relates to the BART Five Factor Analysis for the Facility based upon those federally-enforceable limits. If the SIP as it relates to the BART Five Factor Analysis for the Facility is not approved by EPA, this **ADMINISTRATIVE ORDER ON CONSENT** shall be void.

Baton Rouge, Louisiana, this 9th day of February, 2017.



Chuck Carr Brown, Ph. D.
Secretary

CLECO POWER, LLC

By: 

Date: 2-8-17

Name: Robert LaBorde Sr.

Title: VP-Generation Operations & Environmental Services