Owens, Mike

From: Owens, Mike
Sent: Friday, February 28, 2014 4:17 PM
To: 'Crabtree@deseretpower.com'
Cc: 'eolsen@deseretpower.com'; Rothery, Deirdre; Laumann, Sara
Subject: FW: Request for Information re: CAM Plan amendments/settlement PPL Montana
Attachments: Colstrip-settlmt-signed-2-12-14 (2).pdf; Corette-settlmt-signed-2-12-14.pdf

David,

This is in response to your voice mail I received today, in which you asked for a copy of the recent settlement agreement involving CAM and PM CEMS for PPL Montana's Colstrip plant that I mentioned to Eric Olsen earlier this week. Attached is a copy. Since there is a very similar settlement agreement for Corette, I'm attaching that too.

As I wrote to Eric on Feb. 26, our office is requesting Deseret to submit a CAM plan for particulate matter and PM10. In my phone conversation with him the same day, I mentioned that PM CEMS is becoming widely accepted in recent years as a reliable monitoring technique. In any event, I expect that Deseret Power will design a CAM plan to fit the specific circumstances at Bonanza plant.

Mike Owens
Environmental Engineer
Air Program
EPA Region 8
303-312-6440

From: Rothery, Deirdre
Sent: Friday, February 28, 2014 9:10 AM
To: Dave Crabtree; Eric Olsen
Cc: Laumann, Sara; Owens, Mike
Subject: RE: Request for Information re: CAM Plan amendments/settlement PPL Montana

Hi David,

Thanks for the email. We just received the settlement agreements for Colstrip and we are in the process of reviewing them. My understanding is that the settlement agreements are public information, so we could send them to you. We have reached out to our headquarters office with a request for a good example of a CAM plan that we could share with you. Once we have a good example, we will send it to you. In the mean time, feel free to contact us with any questions. Dee

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From: Dave Crabtree [mailto:Crabtree@deseretpower.com]
Sent: Thursday, February 27, 2014 3:14 PM
To: Rothery, Deirdre; Eric Olsen
Cc: Laumann, Sara; Owens, Mike
Subject: RE: Request for Information re: CAM Plan amendments/settlement PPL Montana

Dee,

I understand that there may have been a settlement or consent agreement of some sort involving PPL Montana (possible the Colstrip unit?) and its CAM Plan which was submitted with an application for Title V permit renewal.

I believe this would have been fairly recent. I wonder if Region 8 has this document in a form it could provide it to us. If it is not available, I understand.

Thanks.

David Crabtree
Deseret Power
Tel. (801) 619-6500

GENERAL RELEASE AND SETTLEMENT AGREEMENT

RELEASORS: Sierra Club, Montana Environmental Information Center

RELEASEES: PPL Montana, LLC, Montana Department of Environmental Quality

DESCRIPTION OF EVENTS: Challenge to PPLM's Air Quality Operating Permit (OP0513-08), Case No. BER 2013-01 AQ for the Colstrip Steam Electric Station, filed on January 3, 2013, and petition to EPA, AFS No. 030-087-0008A, filed on January 31, 2013

1. RELEASE

The undersigned Releasors acknowledge receipt of the settlement terms below and forever release and discharge Releasees, Releasees' successors, assigns, agents, partners, employees and attorneys from any and all actions, claims, causes of action, demands, or expenses for damages or injuries, whether asserted or unasserted, known or unknown, foreseen or unforeseen, arising out of the described events.

2. PM CEMS AS A PARTICULATE CAM PLAN PERFORMANCE INDICATOR

a. PPLM will add Particulate Matter Continuous Emission Monitoring ("PM CEMS") as another performance indicator to the Colstrip Particulate CAM Plan for Colstrip Units 1 and 3 within six months after the date of this executed settlement agreement and for Colstrip Units 2 and 4 within 12 months after the date of this executed settlement agreement.

b. PPLM will identify a Particulate CAM Plan performance indicator range for the PM CEMS at a level less than the corresponding PM emission limit identified by the operating permit for each unit. PPLM will report a CAM Plan excursion for any 30-day rolling average above the performance indicator range for the PM CEMS in quarterly reports to MDEQ.

c. PPLM will operate and maintain the PM CEMS as a Particulate CAM Plan performance indicator on Colstrip Units 1-4 as addressed below:

i. Install PM CEMS according to the manufacturer's standards.

ii. Establish initial calibration/correlation at three levels (zero, normal operations, and at scrubber operations that increase PM concentration, but do not put Title V requirements at risk) using three Reference Method 5 runs at the normal operations level and two Reference Method 5 runs at the higher PM concentration. Correlation means the primary mathematical relationship for correlating the output from your PM CEMS to a PM concentration, as determined by the PM reference method. The

correlation is expressed in the measurement units that are consistent with the measurement conditions (e.g., mg/dscm, mg/acm) of the PM CEMS.

iii. Establish CAM Plan excursion limit in terms of mg/m^3.

iv. Perform daily zero and span checks using manufacturer's standards.

v. On a quarterly basis, conduct one Reference Method 5 (one run) test to update the initial calibration/correlation until MATS compliance is required at which time three runs will be used for Reference Method 5 tests. If a result from one run (or the average of three runs after MATS compliance is required) differs from the initial correlation/calibration by 25% or more of the CAM Plan excursion limit, then the initial calibration/correlation will be repeated.

vi. If a Particulate CAM Plan excursion is shown by the PM CEMS, a mandatory Reference Method 5 test (three runs) shall be conducted under conditions representative of the CAM Plan excursions.

vii. MDEQ believes the correlation procedures in this agreement are adequate for the intended use of the monitors as a CAM Plan performance indicator.

d. PPLM will maintain records of its PM CEMS monitoring data and maintenance in accordance with the Title V operating permit requirements. Once PM CEMS has been added as another performance indicator to Colstrip's Particulate CAM Plan, PPLM agrees to provide to MDEQ, upon MDEQ's request, PM CEMS data for Colstrip. At a minimum, MDEQ will request and PPLM will submit PM CEMS data for each unit on a quarterly basis, with PM CEMS measurements in mg/m^3, averaged daily.

e. This use of PM CEMS as a Particulate CAM Plan performance indicator shall not be subject to EPA Performance Specification 11 for PM CEMS.

f. MDEQ will amend the operating permit to include the terms of this agreement. Installation and use of PM CEMS as a Particulate CAM Plan performance indicator at Colstrip will be done for purposes of settlement of this matter, and such use is not required under Title 40 CFR or "pursuant to other authority under the Clean Air Act or state or local law," as addressed in 40 CFR § 64.3(d), and the permit will be amended to state that. This includes, but is not limited to, Montana Administrative Code Title 17, Chapter 8, subchapter 15. This shall not be construed as an admission by Releasors that PM CEMS are not required.

g. If MDEQ determines in connection with a future operating permit modification or renewal that the data generated from PM CEMS are no longer a useful component of the Colstrip CAM Plan, PPLM may propose a CAM Plan revision.

3. NO ADMISSION OF LIABILITY

It is understood that the above-mentioned remedy is accepted as the sole consideration for full satisfaction and accord to compromise a disputed claim, and that neither the terms

addressed above, nor the negotiations for settlement shall be considered as an admission of against interest by any party.

4. NO ADDITIONAL CLAIMS

Releasors represent that no additional claims are contemplated against any other party potentially liable for the losses, damages, and injuries for which this Release is given.

5. STIPULATION FOR DISMISSAL WITH PREJUDICE

Releasors agree to move to dismiss their pending Colstrip Title V Permit Appeal, Case No. BER 2013-01 AQ and their pending petition to EPA, AFS No. 030-087-0008A, both with prejudice, as fully settled upon the merits. Each party shall pay their respective costs and attorneys' fees.

6. DISCLAIMER

The parties have carefully read the foregoing, discussed its legal effect with the parties' attorneys, understand the contents thereof, and sign the same of the parties' own free will and accord. This Release shall be binding upon the parties and their successors, and assigns.

7. SEVERABILITY

Should any provision of this Agreement be determined to be unenforceable, all remaining terms and clauses shall remain in force and shall be fully severable.

8. CHOICE OF LAW

The laws of the State of Montana shall apply to the interpretation of this Agreement.

9. FINAL AGREEMENT

This written Agreement constitutes the final agreement between the parties and shall supersede any oral agreements to the contrary.

DATED this 12 day of February, 20 14.

CAUTION: READ BEFORE SIGNING!

Montana Environmental Information Center

Sierra Club

APPROVED BY:

Attorney for Releasors

By _____

_____
Montana Department of Environmental Quality

APPROVED BY:

Attorney for Montana Department of Environmental Quality

By _____

_____
PPL Montana, LLC

APPROVED BY:

Attorney for PPL Montana, LLC

By _____

GENERAL RELEASE AND SETTLEMENT AGREEMENT

RELEASORS: Sierra Club, Montana Environmental Information Center

RELEASEES: PPL Montana, LLC, Montana Department of Environmental Quality

DESCRIPTION OF EVENTS: Challenge to PPLM's Air Quality Operating Permit (OP2953-07), Case No. BER 2013-02 AQ for the J.E. Corette Steam Electric Station, filed on January 3, 2013, and petition to EPA, AFS No. 030-111-0015A, filed on January 31, 2013

1. RELEASE

The undersigned Releasors acknowledge receipt of the settlement terms below and forever release and discharge Releasees, Releasees' successors, assigns, agents, partners, employees and attorneys from any and all actions, claims, causes of action, demands, or expenses for damages or injuries, whether asserted or unasserted, known or unknown, foreseen or unforeseen, arising out of the described events.

2. PM CEMS AS A PARTICULATE CAM PLAN PERFORMANCE INDICATOR

a. PPLM will add Particulate Matter Continuous Emission Monitoring ("PM CEMS") as another performance indicator to the Corette Particulate CAM Plan within six months from the date that Corette first generates electricity as a coal-fired electric generating unit after April 15, 2015.

b. PPLM will identify a Particulate CAM Plan performance indicator range for the PM CEMS at a level less than the corresponding PM emission limit identified by the operating permit. PPLM will report a CAM Plan excursion for any 30-day rolling average above the performance indicator range for the PM CEMS in quarterly reports to MDEQ.

c. PPLM will operate and maintain the PM CEMS as a Particulate CAM Plan performance indicator on Corette as addressed below:

i. Install PM CEMS according to the manufacturer's standards.

ii. Establish initial calibration/correlation at three levels (zero, normal operations, and at operations that increase PM concentration, but do not put Title V requirements at risk) using three Reference Method 5 runs at the normal operations level and two Reference Method 5 runs at the higher PM concentration. Correlation means the primary mathematical relationship for correlating the output from the PM CEMS to a PM concentration, as determined by the PM reference method. The

correlation is expressed in the measurement units that are consistent with the measurement conditions (e.g., mg/dscm, mg/acm) of the PM CEMS.

iii. Establish CAM Plan excursion limit in terms of mg/m^3.

iv. Perform daily zero and span checks using manufacturer's standards.

v. On a quarterly basis, conduct three Reference Method 5 runs to update the initial calibration/correlation. If the result from the average of three runs differs from the initial correlation/calibration by 25% or more of the CAM Plan excursion limit, then the initial calibration/correlation will be repeated.

vi. If a Particulate CAM Plan excursion is shown by the PM CEMS, a mandatory Reference Method 5 test (three runs) shall be conducted under conditions representative of the CAM Plan excursions.

vii. MDEQ believes the correlation procedures in this agreement are adequate for the intended use of the monitors as a CAM Plan performance indicator.

d. PPLM will maintain records of its PM CEMS monitoring data and maintenance in accordance with the Title V operating permit requirements. Once PM CEMS has been added as another performance indicator to Corette's Particulate CAM Plan, PPLM agrees to provide to MDEQ, upon MDEQ's request, PM CEMS data for Corette. At a minimum, MDEQ will request and PPLM will submit PM CEMS data on a quarterly basis, with PM CEMS measurements in mg/m^3, averaged daily.

e. This use of PM CEMS as a Particulate CAM Plan performance indicator shall not be subject to EPA Performance Specification 11 for PM CEMS.

f. MDEQ will amend the operating permit to include the terms of this agreement. Installation and use of PM CEMS as a Particulate CAM Plan performance indicator at Corette will be done for purposes of settlement of this matter, and such use is not required under Title 40 CFR or "pursuant to other authority under the Clean Air Act or state or local law," as addressed in 40 CFR § 64.3(d), and the permit will be amended to state that. This includes, but is not limited to, Montana Administrative Code Title 17, Chapter 8, subchapter 15. This shall not be construed as an admission by Releasors that PM CEMS are not required.

g. If MDEQ determines in connection with a future operating permit modification or renewal that the data generated from PM CEMS are no longer a useful component of the Corette CAM Plan, PPLM may propose a CAM Plan revision.

3. NO ADMISSION OF LIABILITY

It is understood that the above-mentioned remedy is accepted as the sole consideration for full satisfaction and accord to compromise a disputed claim, and that neither the terms addressed above, nor the negotiations for settlement shall be considered as an admission against interest by any party.

4. NO ADDITIONAL CLAIMS

Releasors represent that no additional claims are contemplated against any other party potentially liable for the losses, damages, and injuries for which this Release is given.

5. STIPULATION FOR DISMISSAL WITH PREJUDICE

Releasors agree to move to dismiss their pending Corette Title V Permit Appeal, Case No. BER 2013-02 AQ and their pending petition to EPA, AFS No. 030-087-0008A, both with prejudice, as fully settled upon the merits. Each party shall pay their respective costs and attorneys' fees.

6. DISCLAIMER

The parties have carefully read the foregoing, discussed its legal effect with the parties' attorneys, understand the contents thereof, and sign the same of the parties' own free will and accord. This Release shall be binding upon the parties and their successors, and assigns.

7. SEVERABILITY

Should any provision of this Agreement be determined to be unenforceable, all remaining terms and clauses shall remain in force and shall be fully severable.

8. CHOICE OF LAW

The laws of the State of Montana shall apply to the interpretation of this Agreement.

9. FINAL AGREEMENT

This written Agreement constitutes the final agreement between the parties and shall supersede any oral agreements to the contrary.

DATED this 12th day of February, 2014.

CAUTION: READ BEFORE SIGNING!

Montana Environmental Information Center

Sierra Club

APPROVED BY:

Attorney for Releasors

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Montana Department of Environmental Quality

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Attorney for Montana Department of Environmental Quality

By _____

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PPL Montana, LLC

APPROVED BY:

Attorney for PPL Montana, LLC

By _____