UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 8
999 18TH STREET - SUITE 500
DENVER, CO 80202-2466

MAR 30 1999

Ref: 8P-AR

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Stan Gordon
Plant Manager
Deseret Generation and Transmission
12500 East 25500 South
Vernal, Utah 84078

Dear Mr. Gordon:

This letter is in reference to the U.S. Environmental Protection Agency's (EPA) amendments to its federal operating permits regulation (40 CFR part 71), which can be found at 64 FR 8247, February 19, 1999. The federal operating permits program was initially promulgated in July 1996. [See notice of final rule at 61 FR 34202, July 1, 1996]. These amendments clarify the Agency's authority to issue operating permits to facilities located in "Indian country."

Our records indicate that Deseret Generation and Transmission has a potential major source of air pollution located on the Uintah & Ouray Indian Reservation. This source is the Bonanza Power Plant. Because this source is located within the jurisdiction of the Uintah & Ouray Reservation, EPA has responsibility for issuing and enforcing a Title V permit for this source, pursuant to the federal regulations at 40 CFR part 71. This authority will remain with EPA until such time as EPA approves a Title V program for the Ute Indian Tribe, or until EPA delegates Title V authority to the Tribe. The amended part 71 regulation was effective in all parts of Indian country on March 22, 1999.

In addition to the requirements of 40 CFR part 71, owners and operators of affected emissions units are required to address the requirements of the Compliance Assurance Monitoring (CAM) rule, at 40 CFR part 64. The information required under the CAM rule (commonly called a "CAM plan") must be submitted with the part 71 operating permit application. The CAM rule requires Title V sources to complete a written CAM plan and perform monitoring of controlled units that are subject to an emissions limitation or standard, which constitutes an applicable requirement under the Clean Air Act.

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Enclosed with this letter are copies of the following documents:

1) the July 1, 1996 part 71 regulation;
2) the February 19, 1999 amended part 71 regulation;
3) the part 71 permit application and instruction sheet on diskette; and
4) the Compliance Assurance Monitoring final rule [62 FR 54900, October 22, 1997].

EPA requests that Deseret Generation and Transmission please examine 40 CFR §71.3 to verify or determine the applicability of the federal operating permits rule to its source. If subject, then please fill out and return all applicable portions of the part 71 application, including the Fee Calculation Worksheet and the Compliance Certification. (A separate application is required for each source.) The application form may be downloaded and printed from the Internet, but it is not suitable for on-line data entry or electronic submittal. The web site address for the application form is: http://www.epa.gov/oar/oaqps/permits/p71forms.html.

EPA also requests that Deseret Generation and Transmission examine 40 CFR §64.2 to determine the applicability of the CAM rule to its emission units and if subject, submit the information required under 40 CFR §64.4 with the respective part 71 application. In addition, Deseret Generation and Transmission must submit initial fees along with its part 71 permit application, as required by 40 CFR §71.9(f)(3). The part 71 fee payment is performed using a "lockbox" bank account system, which is described in the instructions for the application. Please include a photocopy of the fee payment check with your submittal of the application. One criteria EPA uses to determine that a part 71 application is complete, is that the emissions fee has been paid by the applicant.

Pursuant to 40 CFR §71.5(a)(1), EPA is formally requiring Deseret Generation and Transmission to submit its complete part 71 application for its Bonanza plant on or before March 22, 2000, which is one (1) year from the effective date of the program. Deseret Generation and Transmission is responsible for submitting part 71 applications for all of its facilities located in Indian country that are subject to this rule, even if a facility has not been identified in this letter. Applications for sources not listed above are also due on or before March 22, 2000.

Please address your application submittal to me at the above address. If you have any questions regarding this matter, please feel free to contact me at (303) 312-6936.

Sincerely,

Monica S. Morales

Monica S. Morales
Air and Radiation Program

Enclosures (4)

cc: Elaine Willie (Ute Indian Tribe, w/out enclosures)
Howard Vichers (Deseret Generation and Transmission)