UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 8
1595 WYNKOOP STREET
DENVER, CO 80202-1129
Phone 800-227-8917
http://www.epa.gov/region08

2013 JUN 28 AM 9:09
FILED
EPA REGION VIII
HEARING CLERK

DOCKET NO.: CAA-08-2013-0011

IN THE MATTER OF:	)	
DESERET GENERATION AND TRANSMISSION CO-OPERATIVE	)	**FINAL ORDER**
Respondent	)	

Pursuant to 40 C.F.R. § 22.13(b) and 22.18(b)(2) of EPA's Consolidated Rules of Practice, the Consent Agreement resolving this matter is hereby approved and incorporated by reference into this Final Order.

The Parties are hereby **ORDERED** to comply with all of the terms of this **Order**, effective immediately upon receipt by Parties of this **Order**.

SO ORDERED THIS 28th **Day of** June **, 2013**

Elyana R. Sutin
Regional Judicial Officer

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 8

2013 JUN 28 AM 9:09
FILED
EPA REGION VIII
HEARING CLERK

Docket No. CAA-08-2013-0011

IN THE MATTER OF:	)	
	)	
Deseret Generation & Transmission Co-operative,	)	COMBINED COMPLAINT AND
	)	CONSENT AGREEMENT
Respondent	)	

The United States Environmental Protection Agency, Region 8 (EPA) and Deseret Generation & Transmission Co-operative (Respondent) (sometimes referred to collectively as the Parties or individually as a Party), by their undersigned representatives, hereby consent and agree as follows:

A. PRELIMINARY MATTERS

1. This Combined Complaint and Consent Agreement (Agreement) is entered into by the Parties to settle alleged violations of the federal Clean Air Act (CAA), 42 U.S.C. §§ 7401-7671q, specifically 40 C.F.R. part 60, Standards of Performance for New Stationary Sources.

2. This proceeding is governed by the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits at 40 C.F.R. part 22.

3. This Agreement is entered into by the Parties for the purpose of simultaneously commencing and concluding this matter, as authorized by 40 C.F.R. § 22.13(b), and is executed pursuant to 40 C.F.R. § 22.18(b)(2) and (3).

4. The EPA has jurisdiction over this matter pursuant to section 113 of the CAA, 42 U.S.C. § 7413.

5. Solely for the purpose of this Agreement, Respondent admits the jurisdictional allegations in this Agreement. Respondent, however, expressly denies the factual allegations and legal assertions set forth in paragraphs 10 through 30, below, that purport to allege or assert in any manner that Respondent: (i) on any occasion caused any discharge to the atmosphere in excess of applicable opacity limits prohibited by any provision of law or any applicable permit condition; (ii) on any occasion failed to maintain and operate the Facility (defined in paragraph 22, below), including associated air pollution control equipment, in a manner consistent with good air pollution control practices for minimizing emissions; or (iii) on any occasion during periods of startup, shutdown, or malfunction, took no practicable means or measures to minimize emissions of gases containing in excess of 20% opacity.

6. Except as expressly denied in paragraph 5, above, Respondent neither admits nor denies the factual allegations in paragraphs 10 through 30, below.

7. Respondent consents to the injunctive relief, penalty payment, and supplemental environmental project described below. Respondent waives any rights to a hearing to contest the allegations in this Agreement and to appeal any final order incorporating this Agreement.

8. The EPA finds that settlement of this matter is in the public interest. The Parties agree that entry of a final order approving this Agreement without further litigation and without

adjudication of any issue of fact or law is the most appropriate means of resolving this matter.

9. This Agreement contains all terms of the settlement agreed to by the Parties.

B. THE EPA'S LEGAL AND FACTUAL ALLEGATIONS

The EPA makes the allegations included in paragraphs 10 through 30, below.

10. The CAA has established a regulatory scheme designed to protect and enhance the quality of the nation's air so as to promote the public health and welfare and the productive capacity of its population. Section 101(b)(1) of the CAA, 42 U.S.C. § 7401(b)(1).

11. Congress has directed the EPA to publish a list of categories of stationary sources that emit or may emit any air pollutant. The list must include any categories of sources that are determined to cause or significantly contribute to air pollution that may endanger public health or welfare. Section 111(b)(1)(A) of the CAA, 42 U.S.C. § 7411(b)(1)(A). For each of these categories, Congress has required the EPA to promulgate regulations establishing federal standards of performance for new sources of air pollutants. Section 111(b)(1)(B) of the CAA, 42 U.S.C. § 7411(b)(1)(B).

12. A "new source" is defined as any stationary source, the construction or modification of which is commenced after the publication of regulations or proposed regulations prescribing a standard of performance applicable to such source. Section 111(a)(2) of the CAA, 42 U.S.C. § 7411(a)(2).

13. The EPA has promulgated New Source Performance Standards (NSPS) for various industrial categories, pursuant to section 111(b)(1)(B) of the CAA, 42 U.S.C. § 7411(b)(1)(B).

14. The EPA has promulgated general NSPS provisions, codified at 40 C.F.R. §§ 60.1-60.19 (Subpart A), pursuant to section 111(b) of the CAA, 42 U.S.C. § 7411(b). Subpart A applies to each owner or operator of any stationary source that contains an "affected facility" subject to regulation under 40 C.F.R. part 60. An "affected facility" is defined, with reference to a stationary source, as any apparatus to which a standard proposed or promulgated under 40 C.F.R. part 60 is applicable.

15. Any owner or operator of any affected facility must, to the extent practicable, maintain and operate that facility, including associated air pollution control equipment, in a manner consistent with good air pollution control practices for minimizing emissions at all times, including periods of startup, shutdown, and malfunction. 40 C.F.R. § 60.11(d).

16. The NSPS regulations for electric utility steam generating units for which construction has begun after September 18, 1978, are codified in 40 C.F.R. §§ 60.40Da-60.52Da (Subpart Da).

17. No owner or operator of an electric utility steam generating unit for which construction is begun after September 18, 1978, may cause any gases to be discharged into the atmosphere that exhibit greater than 20 percent opacity (as a six-minute average), except for one six-minute period per hour of not more than 27 percent opacity. 40 C.F.R. § 60.42Da(b).

18. According to 40 C.F.R. §§ 60.11(c) and 60.48Da(c), the opacity limit cited in the paragraph 17, above, does not apply during periods of startup, shutdown, and malfunction. Excess emissions during these events are to be reported as required by 40 C.F.R. § 60.7(c)(2).

19. No owner or operator of any new source may operate that source in violation of any NSPS applicable to such source. Section 111(e) of the CAA, 42 U.S.C. § 7411(e).

20. The EPA may assess an administrative penalty against any person who has violated or is violating any NSPS. Section 113(d)(1)(B) of the CAA, 42 U.S.C.§ 7413(d)(1)(B).

21. Respondent is a Delaware corporation and, therefore, a "person" as defined in section 302(e) of the CAA, 42 U.S.C. § 7602(e).

22. Respondent owns and operates a power plant known as the Deseret Bonanza Power Plant, Unit 1 (Facility). The Facility is approximately 28 miles southeast of Vernal, Utah, on the Uintah and Ouray Indian Reservation.

23. Respondent is an "owner or operator" of the Facility as that term is defined in section 111(a)(5) of the CAA, 42 U.S.C. § 7411(a)(5), and 40 C.F.R. § 60.2.

24. The Facility was built in the early 1980s. It became operational in 1985.

25. The Facility burns about two million tons per year of coal and has historically used distillate fuel oil during periods of startup.

26. The Facility has a capacity to generate approximately 500 megawatts gross (MW) of electricity.

27. The Facility is an "affected facility" as defined in 40 C.F.R. §§ 60.2 and 60.40Da, and a "new source" as defined in section 111(a)(2) of the CAA, 42 U.S.C. § 7411(a)(2).

28. The Facility is subject to Subparts A and Da.

29. The Facility has emitted into the atmosphere gases containing in excess of 20% opacity for six-minute periods (other than one six-minute period in any single hour in which opacity did not exceed 27%) on at least 4,490 occasions from the second quarter of 2007 through the fourth quarter of 2012. These excess emissions have occurred almost entirely during periods of startup and shutdown of the Facility. During these periods, Respondent's standard operating procedures included operating the Facility with the baghouse bypass damper open when the inlet baghouse temperature was less than approximately 220° F and the fuel oil firing rate was more than approximately 20% of the total heat input to the boiler. These excess emissions occurred notwithstanding the fact that Respondent has indicated that (a) it applied the original equipment manufacturers' recommended standard operating procedures for startup and shutdown of the Facility and (b) in many such instances it routinely took measures to minimize the duration of startup, shutdown, or malfunction events and to reduce the probability and frequency of their repetition.

30. The EPA and the United States Department of Justice have jointly determined pursuant to section 113(d)(1) of the CAA, 42 U.S.C. § 7413(d)(1), that this matter is appropriate for an administrative action.

C. ALLEGED VIOLATIONS

The EPA alleges the violations described in paragraphs 31 and 32, below.

31. Each instance detailed in paragraph 29, above, in which the Facility emitted into the atmosphere gases containing in excess of 20% opacity for a six-minute period (other than

one six-minute period in any single hour in which opacity did not exceed 27%), except for any instances that occurred during periods of startup, shutdown, or malfunction, is a violation of 40 C.F.R. § 60.42Da(b).

32. Each instance detailed in paragraph 29, above, during which the Facility's controls were bypassed is a violation of 40 C.F.R. § 60.11(d).

D. INJUNCTIVE RELIEF

No later than the date a final order is signed approving this Agreement (the Effective Date), Respondent shall take the actions described in paragraphs 33 and 34, below.

33. Respondent shall at all times, to the extent practicable, implement and follow Respondent's "Bonanza Unit 1 Baghouse Maintenance Procedure Startup and Shutdown," effective September 12, 2012, a copy of which is attached as Exhibit 1 and incorporated herein by reference. Any changes to these procedures under this Agreement shall be submitted for EPA approval prior to implementation by Respondent.

34. Respondent shall submit quarterly excess emissions reports to the EPA, as required by 40 C.F.R. part 60. In addition to information required by 40 C.F.R. part 60, for each instance of excess emissions that is subject to the quarterly reporting requirement in 40 C.F.R. part 60, each report shall include a description of (1) whether, during each relevant event the baghouse bypass damper was open while the unit was in operation and ID Fans were in service, (2) in such instance the reason for opening the baghouse bypass damper, (3) in such instance the corrective measures taken to correct the bypass condition, (4) when those corrective measures were taken, (5) when the bypass condition was corrected and the baghouse bypass damper was closed (if the damper was closed

prior to the end of a reportable excess emissions event); and (6) measures and actions taken to prevent future occurrences of the event that caused the reported bypass condition.

E. SUPPLEMENTAL ENVIRONMENTAL PROJECT

35. In furtherance of the goals of the CAA, Respondent shall complete a supplemental environmental project (SEP) as described below, consisting of replacing at least five existing fleet vehicles now using conventional gasoline as fuel with vehicles that use high pressure natural gas as fuel.

36. The fleet vehicles to be replaced are owned by Moon Lake Electric Association (MLEA) and are operated in the vicinity of the Facility. Respondent shall ensure that (a) no later than 180 calendar days after the Effective Date, MLEA will have retired at least five trucks from its fleet that now use only conventional gasoline as fuel and will have purchased at least five new utility trucks (e.g., Ford F-150 or F-250, Dodge Ram 1500 or 2500, GMC Sierra 1500 or 2500, or equivalent), and (b) no later than 300 days after the Effective Date, MLEA will have equipped each of the newly purchased vehicles for use of compressed natural gas as a fuel source. Respondent shall obtain certifications from MLEA that MLEA has met each of these deadlines.

37. Respondent's total expenditure for the SEP shall be not less than $262,000. The Parties expect that the purchase price of each new vehicle will be approximately $42,000 and that each vehicle will cost approximately $12,000 to equip for compressed natural gas use. If the cost of purchasing the five vehicles and equipping them to use compressed natural gas as fuel is less than $262,000, Respondent shall purchase additional truck(s)

and/or retrofit existing or new trucks for use of compressed natural gas as a fuel, in order to bring Respondent's SEP expenditure to at least $262,000.

38. Within 30 days after the date of completion of the SEP, and no later than 330 days after the Effective Date, Respondent shall submit a SEP Completion Report to the EPA. The SEP Completion Report shall contain the following information:

a. a detailed description of the SEP as implemented;

b. copies of certifications from MLEA regarding the existing conventional fleet vehicles that have been permanently retired under this SEP and the new fleet vehicles have been equipped for use of compressed natural gas;

c. a description of any problems encountered in completing the SEP and the solutions thereto;

d. an itemized list with documentation (including invoices and/or purchase orders) of all Respondent's SEP expenditures (including costs for purchasing the replacement vehicles, installing compressed natural gas fuel systems in the vehicles, and permanently retiring existing vehicles that use conventional gasoline);

e. a certification by Respondent that the SEP has been fully implemented pursuant to the provisions of this Agreement; and

f. a description of the environmental and public health benefits resulting from implementation of the SEP (with a quantification of the benefits and pollutant reductions, if feasible).

39. Respondent certifies that, as of the date of this Agreement,

a. Respondent is not required to perform or develop the SEP by any federal, state, or local law or regulation, by any agreement or grant, or as injunctive relief awarded in any other action in any forum;

b. the SEP is not a project that Respondent was planning or intending to construct, perform, or implement other than in settlement of the claims resolved in this Agreement;

c. Respondent has not received, is not negotiating to receive, and will not receive credit for the SEP in any other enforcement action;

d. Respondent will not receive any reimbursement for any portion of the SEP from any other person; and

e. Respondent is not a party to any open federal financial assistance transaction that is funding or could be used to fund any activity included in the SEP, and to the best of Respondent's knowledge and belief after reasonable inquiry, there is no such open federal financial transaction that is funding or could be used to fund any activity included the SEP, and this activity has not been described in an unsuccessful federal financial assistance transaction proposal submitted to the EPA within two years of the date of this settlement (unless the project was barred from funding as statutorily ineligible). For the purposes of this certification, the term "open federal financial assistance transaction" refers to a grant, cooperative agreement, loan, federally-guaranteed loan guarantee or other mechanism for providing federal financial assistance whose performance period has not yet expired.

40. Respondent shall maintain legible copies of documentation for SEP completion report and for any other information submitted to the EPA relating to this SEP and shall provide the EPA with copies of such documentation within seven days of any request from the EPA for this documentation.

41. The SEP Completion Report and any other report that the EPA may request Respondent to submit relating to the SEP shall include the following certification, to be signed by an officer of Respondent:

> I certify under penalty of law that I have examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment.

42. After receiving the SEP Completion Report, the EPA shall notify Respondent, in writing, (i) regarding any deficiencies in the SEP Completion Report itself, along with a grant of an additional 30 days for Respondent to correct any deficiencies; or (ii) indicate that the EPA concludes that the SEP has been completed satisfactorily, or (iii) determine that the SEP has not been completed satisfactorily.

43. If the EPA elects to exercise option (i) in paragraph 42, above, i.e., the SEP Completion Report is determined to be deficient but the EPA has not made a final determination about the adequacy of the SEP completion itself, the EPA shall permit Respondent the opportunity to object in writing to the notification of deficiency from the EPA within 10

days of receipt of such notification. The EPA and Respondent shall have an additional 30 days from the EPA's receipt of such notification of objection to reach agreement on changes necessary to the SEP Completion Report. If the Parties cannot reach agreement on any such issue within this 30-day period, the EPA shall provide a written statement of its decision on the adequacy of the SEP to Respondent, which decision shall be final and binding upon Respondent. Respondent agrees to comply with any requirements imposed by the EPA as a result of any failure to comply with the terms of this Agreement.

44. Any public statement, oral or written, in print, film, or other media, made by Respondent making reference to the SEP shall include the following language: "This project was undertaken in connection with the settlement of an enforcement action taken by the United States Environmental Protection Agency under the Clean Air Act."

45. For federal income tax purposes, Respondent agrees that it will neither capitalize into inventory or basis nor deduct, or take a credit for, any costs or expenditures incurred in performing the SEP.

46. Respondent shall ensure that the EPA has the right to inspect any truck included in this SEP at any time in order to confirm that the SEP is being undertaken in compliance with this Agreement.

47. This Agreement shall not relieve Respondent of its obligation to comply with all applicable provisions of federal, state, or local law, nor shall it be construed to be a ruling on, or a determination of, any issue related to any federal, state, or local permit.

48. The EPA finds that powering vehicles with compressed natural gas can significantly reduce emissions of carbon monoxide, carbon dioxide, and nitrogen oxide and can result

in emissions of little or no particulate matter. Accordingly, natural gas is a less polluting fuel than conventional gasoline, and the Parties find that this SEP will produce environmental benefits in the vicinity of the Facility.

49. Unless otherwise specified herein, all reports, submissions or other notifications related to the SEP that are required by this Agreement to be sent to the EPA shall be addressed to:

Director
Air & Toxics Technical Enforcement Program
U.S. EPA Region 8 (Mail Code 8ENF-AT)
1595 Wynkoop St.
Denver, Colorado 80202-1129

F. CIVIL PENALTY

50. Respondent consents for the purposes of settlement, and without any admission of liability or wrongdoing, to the payment of an administrative civil penalty in the amount of $35,000, to be paid as described below:

a. Payment is due within 30 calendar days from the time the Regional Judicial Officer for the EPA signs a final order approving this Agreement. If the due date falls on a weekend or legal federal holiday, then the due date becomes the next business day. The date the payment is made is considered to be the date processed by the bank described below. Payments received by 11:00 AM EST are processed on the same day; those received after 11:00 AM are processed on the next business day.

b. The payment shall be made by making a wire transfer as provided below or remitting a cashier's or certified check, including the name and docket number of

this case, for the amount, payable to "Treasurer, United States of America," to be sent as follows:

CHECK PAYMENT

U.S. Environmental Protection Agency
Fines and Penalties
Cincinnati Finance Center
P. O. Box 979077
St. Louis, Missouri 63197-9000

IF SENT BY OVERNIGHT MAIL:

US Bank
1005 Convention Plaza
Mail Station SL-MO-C2GL
St. Louis, Missouri 63101

Contact: Natalie Pearson
314-418-4087

WIRE TRANSFER:

Any wire transfer should be directed to the Federal Reserve Bank of New York

Federal Reserve Bank of New York
ABA = 021030004
Account = 68010727
SWIFT address = FRNYUS33
33 Liberty Street
New York, New York 10045
Field Tag 4200 of the Fedwire message should read "D 68010727 Environmental Protection Agency"

ACH (also known as REX or remittance express)

Automated Clearinghouse (ACH) for receiving US currency
PNC Bank
808 17th Street, NW
Washington, DC 20074
Contact – Jesse White 301-887-6548
ABA = 051036706

Transaction Code 22 – checking
Environmental Protection Agency
Account 310006
CTX Format

ON-LINE PAYMENT

There is now an on-line payment option, available through the United States Department of the Treasury. This payment option can be accessed from www.pay.gov, by entering sfo 1.1 in the search field, opening the form, and completing required fields.

At the time of payment, a copy of the check or wire transfer shall be sent to:

Hans Buenning (8ENF-AT) U.S. EPA Region 8 Technical Enforcement Program 1595 Wynkoop St. Denver, Colorado 80202-1129	and	Tina Artemis Regional Hearing Clerk (8RC) U.S. EPA Region 8 1595 Wynkoop St. Denver, Colorado 80202-1129

c. If the payment is not received by the specified due date, interest accrues from the date of the Final Order, not the due date, at a rate established by the Secretary of the Treasury pursuant to 31 U.S.C. § 3717, and will continue to accrue until payment in full is received (e.g., on the first late day, 30 days of interest will have accrued).

d. In addition, a handling charge of fifteen dollars ($15) shall be assessed the 31st day from the date of the Final Order, and for each subsequent 30-day period that the debt, or any portion thereof, remains unpaid. In addition, a 6% per annum penalty shall be assessed on any unpaid principal amount if payment is not received within 30 days of the due date. Payments are first applied to outstanding handling charges, 6% penalty interest, and late interest. The remainder is then applied to the outstanding principal amount.

e. Respondent agrees that the penalty shall never be claimed as a federal or other tax deduction or credit.

G. OTHER TERMS AND CONDITIONS

51. Failure by Respondent to comply with any of the terms of this Agreement shall constitute a breach of this Agreement and may result in referral of the matter to the United States Department of Justice for enforcement of this Agreement and for such other relief as may be appropriate.

52. Nothing in this Agreement shall be construed as a waiver by the EPA or any other federal entity of its authority to seek costs or any appropriate penalty associated with any collection action instituted as a result of any failure by Respondent to perform pursuant to the terms of this Agreement.

53. Each undersigned representative of a Party to this Agreement certifies that he or she is fully authorized by the applicable Party to execute this Agreement and to bind that Party to this Agreement.

54. The Parties agree to submit this Agreement to the Regional Judicial Officer, with a request that it be incorporated into a final order.

55. This Agreement, upon incorporation into a final order, will apply to and be binding upon the EPA, upon Respondent, and upon Respondent's officers, directors, employees, agents, successors, and assigns. Any change in ownership or corporate status of Respondent including, but not limited to, any transfer of assets or real or personal property shall not alter Respondent's responsibilities under this Agreement.

56. This Agreement, upon incorporation into a final order by the Regional Judicial Officer and full satisfaction by the Parties, shall be a complete, full and final settlement of the violations alleged in this Agreement.

57. The terms, conditions, and compliance requirements of this Agreement may not be modified or amended except upon the written agreement of the Parties, and approval of the Regional Judicial Officer.

58. Each Party shall bear its own costs and attorneys' fees in connection with all issues associated with this Agreement.

59. Respondent remains obligated to comply with all requirements of the CAA and its implementing regulations.

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY REGION 8, Complainant

Date: June 27, 2013

By: _____
Andrew M. Gaydosh
Assistant Regional Administrator
Office of Enforcement, Compliance and Environmental Justice

DESERET GENERATION AND TRANSMISSION CO-OPERATIVE, Respondent

Date: 19 JUNE 2013

By: _____
Kimball R. Rasmussen
Chief Executive Officer

EXHIBIT 1

Bonanza Unit 1
Baghouse Maintenance Procedure
Startup and Shutdown
Dated: Effective September 12, 2012

All boiler gas flow will pass through at least one or more compartment(s) of the baghouse at all times with the baghouse bypass dampers closed, except upon specified conditions (see below).

Exceptions:

1. Trip on HIGH Temperature (375° F) or in event of indication of baghouse fire (presence of combustion gas or high temperature emanating from baghouse)
2. High differential pressure (9 inches)

NOTE: IMMEDIATE CORRECTIVE ACTION MUST BE COMMENCED TO CORRECT THE BYPASS CONDITION. NOTIFY THE ON CALL SUPERINTENDENT IF THE CONDITION CANNOT BE IMMEDIATELY CORRECTED AND THE UNIT MUST BE TAKEN OUT OF SERVICE. LOG THE INCIDENT AND ALL CORRECTIVE ACTIONS. AN INCIDENT REPORT MUST BE FILED WITH ENVIRONMENTAL DEPARTMENT.

BAGHOUSE SHUTDOWN

Baghouse compartments 1-1 E1, 1-1 E2, 1-1 F1, 1-1 F2, 1-2 E1, 1-2 E2 1-2 F1 and 1-2 F2 are considered "sacrificial compartments" and are usually to be left in service to the extent practicable under normal operating conditions when the ID Fans are in service. If one or more of those compartments are out of service for repair, use the "D" compartments or other available compartments to maintain at least four compartments per Baghouse in service.

1. Bypass dampers are to be left closed at all times except as otherwise specified pursuant to this Revised Procedure.
2. **DO NOT CLEAN THE INTENDED "SACRIFICIAL COMPARTMENTS" PRIOR TO SHUTDOWN.** It is essential that an ash cake be allowed to accumulate and remain on the bags.
3. As Unit load is reduced during controlled shutdowns, isolate compartments as Baghouse DP allows.
4. If the Unit trips as an "uncontrolled shutdown," stop the cleaning cycle immediately. Keep all compartments in service until Boiler air flow can be reduced to 35%. Then isolate the Baghouse compartments to the intended "sacrificial compartments."

NOTE: Considerations should be made pertaining to the length of shutdown when determining whether to isolate compartments or leave them in service. If the turnaround is expected to be of short duration, isolate the compartments and

hold the heat in the compartments. If the shutdown is anticipated to be more lengthy, keep the compartments in service and cool them below the acid dew point with boiler air flow. The intent is to either keep the compartment temperatures above 260° F or below the acid dew point of 180° F.

NOTE: The Baghouse "Low Temp" limits per original OEM recommendation may be ignored in favor of this revised procedure, on those compartments considered "sacrificial"

BAGHOUSE STARTUP

1. Prior to starting the Boiler Air and Gas System Fans, verify that a minimum of at least one (a) Baghouse compartment(s) are in service ("sacrificial compartments") and the Baghouse bypass dampers are closed.

2. The Baghouse cleaning system is to be off until two or more Pulverizes are in service and a coal to oil ratio of at least 80% coal and 20% oil is reached.

3. Before firing with fuel oil, verify that there is at least 35% air flow through the Boiler. Verify the Tertiary Air Fans are in service and supplying adequate air to each igniter.

4. When oil fires are established, verify that each igniter oil pressure is 40 psi and the atomizing air pressure is 60 psi.

5. Visually inspect the igniter flames for smoke free operation and a uniform flame pattern.

6. Operations personnel will establish coal fires as operating conditions allow.

7. Standard Baghouse operating procedures can be followed after the gas inlet temperature increases above 210° F and a BTU ratio of 80% coal to 20% oil.

GENERAL NOTES

To Minimize Risks of Fire and/or Malfunction:

1. Do not use Baghouse compartments with new bags (less than two weeks in service since re-bagging) as "sacrificial compartments" during period of boiler startup while firing significant quantities of oil for startup fuel.

2. Monitor Baghouse compartment skin temperatures for any sign of overheating or fire.

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 8

Docket No. CAA-08-2013-0011

2013 JUN 28 AM 9:10

FILED
EPA REGION VIII
HEARING CLERK

IN THE MATTER OF:	)	
	)	
Deseret Generation & Transmission Co-operative,	)	SUPPLEMENTAL
	)	ENVIRONMENTAL
	)	PROJECT
	)	ANALYSIS
Respondent	)	

The United States Environmental Protection Agency (EPA) and Deseret Generation & Transmission Cooperative (Respondent) have submitted a Combined Complaint and Consent Agreement (CCCA) to the Regional Judicial Officer for approval. The CCCA resolves violations of New Source Performance Standards (NSPS) promulgated pursuant to the Clean Air Act (CAA) that the EPA has alleged have occurred at the Respondent's Deseret Bonanza Power Plant, Unit 1, in Utah.

To answer the questions posed in the January 20, 2010, memorandum from the Regional Judicial Officer concerning consent agreements that include supplemental environmental projects (SEPs), the EPA provides the following analysis. The questions from the Regional Judicial Officer are underlined.

1. Explain how the SEP complies with the statement in Section B, page 4 of the 1998 SEP Policy, "not otherwise required to perform." I am looking for an explanation that the SEP would not qualify as injunctive relief or some other inherent requirement of the relevant statute and regulations.

The proposed SEP, which is described in Section VII of the CCCA, consists of replacing at least five existing fleet vehicles now using conventional gasoline as fuel with vehicles that use high pressure natural gas as fuel. The Clean Air Act and its implementing regulations do not require Respondent to use natural gas as a fuel or to provide funds to any other party to use natural gas as a fuel.

natural gas as fuel. The Clean Air Act and its implementing regulations do not require Respondent to use natural gas as a fuel or to provide funds to any other party to use natural gas as a fuel.

2. Explain how the SEP complies with the statement in Section C, page 5 of the 1998 SEP Policy, "A project cannot be inconsistent with any provision of the underlying statutes.

The proposed SEP advances the goals of the CAA. The CAA is intended "to protect and enhance the quality of the Nation's air resources so as to promote the public health and welfare and the productive capacity of the population." 42 U.S.C. § 7401(b)(1). As indicated in paragraph 51 of the CCCA, the EPA has found that powering vehicles with compressed natural gas can significantly reduce emissions of carbon monoxide, carbon dioxide, and nitrogen oxide and can result in emissions of little or no particulate matter. The EPA has also found that natural gas is a less polluting fuel than conventional gasoline. Accordingly, the EPA and Respondent have agreed that this SEP will produce environmental benefits in the vicinity of the Facility.

3. If the project is a compliance audit, explain how the SEP complies with Section D(5), Page 9-10 of the 1998 SEP Policy, Environmental Compliance Audits. Information regarding whether the respondent is a small business and that credit is only given for the costs associated with conducting the audit should be included.

The proposed SEP does not include a compliance audit.

4. Explain how the SEP complies with Section E, Page 12 of the 1998 SEP Policy, Calculation of the Penalty. Please include information indicating that the SEP is separate from the penalty calculation. Specific numbers and amounts are not required.

To calculate a settlement penalty in this matter, the EPA used the five-step process described in the 1998 SEP Policy. The agreed-upon penalty reflects a mitigation of no more than 80% of the settlement penalty amount, based on the benefit to the public and the environment from the proposed SEP. The agreed-upon penalty amount is equal to or greater than (a) the economic benefit of noncompliance plus 10% of the gravity component or (b) 25% of the gravity component alone.

5. Provide an overall assurance that the SEP has been reviewed for legal sufficiency and is within EPA's legal authority to include in the consent agreement.

Counsel for the EPA has reviewed the proposed SEP for legal sufficiency and has concluded that the proposed SEP is within the EPA's legal authority to include in the CCCA.

Respectfully submitted,

Margaret J (Peggy) Livingston

Margaret J. (Peggy) Livingston
Senior Enforcement Attorney
United States Environmental Protection Agency
1595 Wynkoop Street
Denver, CO 80202
Telephone: 303-312-6858
Facsimile: 303-312-7202

CERTIFICATE OF SERVICE

The undersigned certifies that the original of the attached **COMBINED COMPLAINT, CONSENT AGREEMENT/FINAL ORDER** in the matter of **DESERET GENERATION & TRANSMISSION CO-OPERATIVE; DOCKET NO.: CAA-08-2013-0011.** The documents were filed with the Regional Hearing Clerk on June 28, 2013.

Further, the undersigned certifies that a true and correct copy of the documents were delivered to, Margaret "Peggy" Livingston, Enforcement Attorney, U. S. EPA – Region 8, 1595 Wynkoop Street, Denver, CO 80202-1129. True and correct copies of the aforementioned documents were placed in the United States mail certified/return receipt requested on June 28, 2013, to:

Mr. David Crabtree, Vice President and General Counsel
Deseret Generation & Transmission Co-operative
d/b/a Deseret Power Electrical Co-operative
10714 South Jordan Gateway
South Jordan, UT 84095

E-mailed to:

Kim White
U. S. Environmental Protection Agency
Cincinnati Finance Center
26 W. Martin Luther King Drive (MS-0002)
Cincinnati, Ohio 45268

June 28, 2013

Tina Artemis
Paralegal/Regional Hearing Clerk