

EXHIBIT A

**PROPOSED REGULATION OF THE
STATE ENVIRONMENTAL COMMISSION**

LCB File No. R190-08

October 1, 2008

**Agency revisions in dark red underline distributed at SEC Hearing 11/12/08 as exhibit,
with deletions in brackets [~~omitted material~~].**

**Agency revisions in green underline with deletions in brackets [~~omitted material~~],
presented at SEC Hearing 11/12/08.**

EXPLANATION – Matter in *italics* is new; matter in brackets [~~omitted material~~] is material to be omitted.

AUTHORITY: §§1-7, NRS 445B.210.

A REGULATION relating to air quality; defining the term “best available retrofit technology” for certain purposes relating to regional haze; setting the standards for emission limitation for that technology for certain sources; and providing other matters properly relating thereto.

Section 1. Chapter 445B of NAC is hereby amended by adding thereto the provisions set forth as sections 2, 3 and 4 of this regulation.

Sec. 2. *“Best available retrofit technology” means an emission limitation based on the degree of reduction achievable through the application of the best system of continuous emission reduction for each pollutant that is emitted by an existing stationary facility as defined in 40 C.F.R. § 51.301.*

Sec. 3. *The emission limitation for BART must be established on a case-by-case basis, taking into consideration:*

- 1. The technology available;*
- 2. The costs of compliance;*
- 3. The energy and nonair quality environmental impacts of compliance;*
- 4. Any pollution control equipment in use or in existence at the source or unit;*

5. The remaining useful life of the source or unit; and

6. The degree of improvement in visibility which may reasonably be anticipated to result from the use of such technology.

Sec. 4. 1. [To determine BART for the requirements of a regional haze program set forth in 40 C.F.R. § 51.308, the] The sources listed below must install, operate and maintain the following control measures which constitute BART and must not emit or cause to be emitted NO_x , SO_2 , or PM_{10} in excess of the following limits:

(a) For power-generating units numbers 1 and 2 of [Sierra Pacific Company's] NV

Energy's Fort Churchill Generating Station, located in hydrographic area 108:

UNIT (Boiler)	NO_x		SO_2		PM_{10}	
	Emission Limit (lb/10 ⁶ Btu, [24 <u>hr</u>] 12-month rolling average)	Control Type	Emission Limit (lb/10 ⁶ Btu, 24-hr average)	Control Type	Emission Limit (lb/10 ⁶ Btu, 3-hr average)	Control Type
1	[0.21] <u>0.20</u>	Low NO_x burners with	0.05	Pipeline natural gas and/or No. 2 fuel oil	0.03	Pipeline natural gas and/or No. 2 fuel oil
2	[0.21] <u>0.16</u>	<u>[selective nongaseous reduction system]</u> <u>[flue gas recirculation]</u>	0.05		0.03	

(b) For power-generating units numbers 1, 2 and 3 of [Sierra Pacific Company's] NV

Energy's Tracy Generating Station, located in hydrographic area 83:

UNIT (Boiler)	NO_x		SO_2		PM_{10}	
	Emission Limit	Control Type	Emission Limit	Control Type	Emission Limit	Control Type

	(lb/10 ⁶ Btu, [24 hr] 12-month rolling average)		(lb/10 ⁶ Btu, 24-hr average)		(lb/10 ⁶ Btu, 3-hr average)	
1	[0.19] 0.15	Low NO _x burners with	0.05	Pipeline natural gas and/or No. 2 fuel oil	0.03	Pipeline natural gas and/or No. 2 fuel oil
2	[0.22] 0.12	[selective noncatalytic reduction system] flue gas recirculation	0.05		0.03	
3	[0.20] 0.19		0.05		0.03	

(c) For power-generating units numbers 1, 2 and 3 of Nevada Power Company's NV

Energy's Reid Gardner Generating Station, located in hydrographic area 218:

UNIT (Boiler)	NO _x		SO ₂		PM ₁₀	
	Emission Limit (lb/10 ⁶ Btu, [24 hr] 12-month rolling average)	Control Type	Emission Limit (lb/10 ⁶ Btu, 24- hr average)	Control Type	Emission Limit (lb/10 ⁶ Btu, 3-hr average)	Control Type
1	[0.16] 0.20	Rotating opposed fire	[0.40] 0.25	Wet soda ash flue gas desulfurization	0.015	Fabric filter
2	[0.16] 0.20		[0.40] 0.25		0.015	
3	[0.20] 0.28	Rotamix ¹	[0.40] 0.25		0.015	

(d) For power-generating units numbers 1 and 2 of Southern California Edison's Mohave
Generating Station, located in hydrographic area 213:

¹ Rotamix is a technology for adding selective non-catalytic reduction using ammonia or urea-based reagent.

UNIT (Boiler)	NO _x			SO ₂		PM ₁₀	
	Emission Limit (lb/10 ⁶ Btu, [24 hr] 12-month rolling average)	Mass Emission Rate (lb/hr, 1-hr average)	Control Type	Emission Limit (lb/10 ⁶ Btu, 30- day rolling average)	Control Type	Emission Limit (lb/10 ⁶ Btu, 3-hr average)	Control Type
1	0.10 0.15	788	Low NO _x burners with over-fire air and conversion to pipeline natural gas only	0.0019	Conversion to pipeline natural gas only	0.0077	Conversion to pipeline natural gas only
2	0.10 0.15	788		0.0019		0.0077	

2. The control measures ~~identified as BART~~ established in subsection 1 may be replaced or supplemented with alternative technologies approved in advance by the Director, provided that the emission limits in subsection 1 are met. The control measures must be installed and operating:

(a) For ~~Sierra Pacific Company's~~ NV Energy's Fort Churchill ~~[and]~~, Tracy Generating Stations and Nevada Power Company's and Reid Gardner Generating Station generating stations:

(1) On or before January 1, 2015; or

(2) Not later than 5 years after approval of Nevada's state implementation plan for regional haze by the United States Environmental Protection Agency Region 9,

↪ whichever occurs first.

(b) For Southern California Edison's Mohave Generating Station, at the time that each unit resumes operation.

3. If the ownership of any BART regulated ~~[generating stations]~~ emission unit changes, the new owner must comply with the requirements set forth in subsection 2.

4. For purposes of this section, emissions of PM₁₀ include the components of PM_{2.5} as a subset.

Sec. 5. NAC 445B.001 is hereby amended to read as follows:

445B.001 As used in NAC 445B.001 to 445B.3791, inclusive, *and sections 2, 3 and 4 of this regulation*, unless the context otherwise requires, the words and terms defined in NAC 445B.002 to 445B.211, inclusive, *and section 2 of this regulation* have the meanings ascribed to them in those sections.

Sec. 6. NAC 445B.211 is hereby amended to read as follows:

445B.211 The abbreviations used in NAC 445B.001 to 445B.3791, inclusive, *and sections 2, 3 and 4 of this regulation* have the following meanings:

~~[BACT.....best available control technology]~~

BART..... Best available retrofit technology

Btu British thermal unit

C.F.R. Code of Federal Regulations

CO₂..... carbon dioxide

°F degree Fahrenheit

Hg..... mercury

H₂S..... hydrogen sulfide

lb..... pound

NO..... nitric oxide

NO_x nitrogen oxides

O₂..... oxygen
ppm..... parts per million
SO₂..... sulfur dioxide
VOC..... volatile organic compound

Sec. 7. NAC 445B.221 is hereby amended to read as follows:

445B.221 1. Title 40 C.F.R. §§ 51.100(s), ~~and~~ 51.100(nn), *and 51.301* and Appendix S of 40 C.F.R. Part 51 are hereby adopted by reference as they existed on July 1, 2007.

2. *The amendments to Appendix S of Title 40 C.F.R. Part 51 as set forth in Volume 73 of the Federal Register at pages 28321 et seq., May 16, 2008, are hereby adopted by reference.*

~~[2.]~~ 3. Title 40 C.F.R. § 51.165 is hereby adopted by reference as it existed on July 1, 2002.

~~[3]~~ 4. Appendix W of 40 C.F.R. Part 51 is hereby adopted by reference as it existed on July 1, 2007.

~~[4]~~ 5. Title 40 C.F.R. § 52.21 is hereby adopted by reference as it existed on July 1, 2007.

6. *The amendments to Title 40 C.F.R. § 52.21 as set forth in Volume 73 of the Federal Register at pages 28321 et seq., May 16, 2008, are hereby adopted by reference.*

~~[5.]~~ 7. Except as otherwise provided in subsection 6, the following subparts of 40 C.F.R. Part 60 are hereby adopted by reference:

(a) Subpart A, except §§ 60.4, 60.8(b)(2), 60.8(b)(3) and 60.11(e), as it existed on July 1, 2007;

(b) Section 60.21 of Subpart B, as it existed on July 1, 2006;

(c) Subparts C, Cb, Cc, Cd, Ce, D, Da, Db, Dc, E, Ea, Eb, Ec, F, G, H, I, J, K, Ka, Kb, L, M, N, Na, O, P, Q, R, S, T, U, V, W, X, Y, Z, AA, AAa, BB, CC, DD, EE, GG, HH, KK, LL, MM, NN, PP, QQ, RR, SS, TT, UU, VV, WW, XX, BBB, DDD, FFF, GGG, HHH, III, JJJ, KKK,

LLL, NNN, OOO, PPP, QQQ, RRR, SSS, TTT, UUU, VVV, WWW, AAAA, CCCC, DDDD, EEEE, FFFF, IIII and KKKK as they existed on July 1, 2007;

(d) Subpart HHHH, except §§ 60.4105(b)(2), 60.4106, 60.4120 to 60.4142, inclusive, 60.4153(a) and (b) and 60.4176, as set forth in Volume 70 of the Federal Register at pages 28606 et seq., May 18, 2005, and the amendments to Subpart HHHH as set forth in Volume 71 of the Federal Register at pages 33388 et seq., June 9, 2006; and

(e) Subpart JJJJ as set forth in Volume 73 of the Federal Register at pages 3568 et seq., January 18, 2008.

~~[6.]~~ 8. The amendments to Subpart A of Title 40 C.F.R. Part 60 as set forth in Volume 73 of the Federal Register at pages 3568 et seq., January 18, 2008, are hereby adopted by reference.

~~[7.]~~ 9. Appendices B and F of 40 C.F.R. Part 60 are hereby adopted by reference as they existed on July 1, 2007.

~~[8.]~~ 10. Subparts A, C, D, E, F, H, I, J, K, L, N, O, P, Q, R, T, V, W, Y, BB and FF of 40 C.F.R. Part 61 are hereby adopted by reference as they existed on July 1, 2007.

~~[9.]~~ 11. Except as otherwise provided in subsection 10, the following subparts of Title 40 C.F.R. Part 63 are hereby adopted by reference:

(a) Subparts A, B, C, F, G, H, I, J, L, M, N, O, Q, R, S, T, U, W, X, Y, AA, BB, CC, DD, EE, GG, HH, II, JJ, KK, LL, MM, OO, PP, QQ, RR, SS, TT, UU, VV, WW, XX, YY, CCC, DDD, EEE, GGG, HHH, III, JJJ, LLL, MMM, NNN, OOO, PPP, QQQ, RRR, TTT, UUU, VVV, XXX, AAAA, CCCC, DDDD, EEEE, FFFF, GGGG, HHHH, IIII, JJJJ, KKKK, MMMM, NNNN, OOOO, PPPP, QQQQ, RRRR, SSSS, TTTT, UUUU, VVVV, WWWW, XXXX, YYYY, ZZZZ, AAAAA, BBBBB, CCCCC, DDDDD, EEEEE, FFFFF, GGGGG, HHHHH,

JJJJ, KKKKK, LLLLL, MMMMM, NNNNN, PPPPP, QQQQQ, SSSSS, DDDDDD, EEEEE, FFFFF and GGGGG as they existed on July 1, 2007;

(b) Subpart WWWW as set forth in Volume 72 of the Federal Register at pages 73611 et seq., December 28, 2007;

(c) Subpart YYYYY as set forth in Volume 72 of the Federal Register at pages 74088 et seq., December 28, 2007;

(d) Subpart ZZZZ as set forth in Volume 73 of the Federal Register at pages 226 et seq., January 2, 2008;

(e) Subparts LLLLL, MMMMM, NNNNN, OOOOO, PPPPP and QQQQQ as set forth in Volume 72 of the Federal Register at pages 38864 et seq., July 16, 2007; and

(f) Subparts RRRRR, SSSSS and TTTTT as set forth in Volume 72 of the Federal Register at pages 73180 et seq., December 26, 2007.

~~[10.]~~ 12. The amendments to the following subparts of Title 40 C.F.R. Part 63 are hereby adopted by reference:

(a) Subparts A and ZZZZ as set forth in Volume 73 of the Federal Register at pages 3568 et seq., January 18, 2008;

(b) Subpart DDDD as set forth in Volume 72 of the Federal Register at pages 61060 et seq., October 29, 2007;

(c) Subpart EEEEE as set forth in Volume 73 of the Federal Register at pages 7210 et seq., February 7, 2008;

(d) Subparts EEEEE and FFFFF as set forth in Volume 72 of the Federal Register at pages 36363 et seq., July 3, 2007;

(e) Subparts LLLLLL, MMMMMM, NNNNNN, OOOOOO, PPPPPP and QQQQQQ as set forth in Volume 73 of the Federal Register at pages 15923 et seq., March 26, 2008.

~~[11.]~~ **13.** Title 40 C.F.R. Part 72 is hereby adopted by reference as it existed on July 1, 2007. If the provisions of 40 C.F.R. Part 72 conflict with or are not included in NAC 445B.001 to 445B.3791, inclusive, *and sections 2, 3 and 4 of this regulation*, the provisions of 40 C.F.R. Part 72 apply.

~~[12.]~~ **14.** Title 40 C.F.R. Part 76 is hereby adopted by reference as it existed on July 1, 2007. If the provisions of 40 C.F.R. Part 76 conflict with or are not included in NAC 445B.001 to 445B.3791, inclusive, *and sections 2, 3 and 4 of this regulation*, the provisions of 40 C.F.R. Part 76 apply.

~~[13.]~~ **15.** Title 42 of the United States Code, section 7412(b), List of Hazardous Air Pollutants, is hereby adopted by reference as it existed on October 1, 1993.

~~[14.]~~ **16.** The *Standard Industrial Classification Manual*, 1987 edition, published by the United States Office of Management and Budget, is hereby adopted by reference. A copy of the manual may be obtained, free of charge, from the United States Department of Labor at the Internet address <http://www.dol.gov>.

~~[15.]~~ **17.** A copy of the publications which contain the provisions adopted by reference in subsections 1 to 13, inclusive, may be obtained from the:

(a) Division of State Library and Archives of the Department of Cultural Affairs for 10 cents per page.

(b) Government Printing Office, free of charge, at the Internet address <http://www.gpoaccess.gov/nara/index.html>.

~~[16.]~~ 18. For the purposes of the provisions of 40 C.F.R. Parts 60, 61 and 63, adopted by reference pursuant to this section, the Director may not approve alternate or equivalent test methods or alternative standards or work practices.

~~[17.]~~ 19. Except as otherwise provided in subsections 11 and 12, the provisions adopted by reference in this section supersede the requirements of NAC 445B.001 to 445B.3791, inclusive, *and sections 2, 3 and 4 of this regulation* for all stationary sources subject to the provisions adopted by reference only if those requirements adopted by reference are more stringent.

~~[18.]~~ 20. For the purposes of this section, “administrator” as used in the provisions of 40 C.F.R. Part 60, except Subpart B § 60.21 and Subpart HHHH §§ 60.4101 to 60.4105, inclusive, 60.4107 to 60.4114, inclusive, 60.4151 to 60.4173, inclusive, and 60.4175, and Parts 61 and 63, adopted *by reference* pursuant to this section, means the Director.