



STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF ENVIRONMENTAL PROTECTION  
BUREAU OF AIR QUALITY  
333 WEST NYE LANE  
CARSON CITY, NEVADA 89706-0851

01AP0161

**Permit NO. AP4911-1062**

**CLASS I AIR QUALITY OPERATING PERMIT**

**Issued to:** NANIWA ENERGY, LLC

**Mailing Address:** 1585 BROADWAY, 4<sup>TH</sup> FLOOR, NEW YORK, NEW YORK 10036

**Physical Address:** NONE

**General Facility Location:** 20 MILES EAST OF RENO, 1000 FEET SOUTH OF THE EXISTING TRACY FACILITY,  
SECTION 33, TOWNSHIP 22N, RANGE 20E, (MDB&M)

**Emission Unit List: (12 Emission Units)**

**A. System 01 - Combustion Turbines (Natural Gas)**

- S2.001 Westinghouse Simple Cycle Combustion Turbine #1, 60 MWe ( nominal)
- S2.002 Westinghouse Simple Cycle Combustion Turbine #2, 60 MWe ( nominal)
- S2.003 Westinghouse Simple Cycle Combustion Turbine #3, 60 MWe ( nominal)
- S2.004 Westinghouse Simple Cycle Combustion Turbine #4, 60 MWe ( nominal)
- S2.005 Westinghouse Simple Cycle Combustion Turbine #5, 60 MWe ( nominal)
- S2.006 Westinghouse Simple Cycle Combustion Turbine #6, 60 MWe ( nominal)

**B. System 02 - Distillate Storage Tanks**

- S2.007 Liquid Storage Tank #1, kerosene or diesel, 1,386,000 gallons maximum capacity, 70 ft diameter, 48 ft height.
- S2.008 Liquid Storage Tank #2, kerosene or diesel, 1,386,000 gallons maximum capacity, 70 ft diameter, 48 ft height.
- S2.009 Liquid Storage Tank #3, kerosene or diesel, 1,386,000 gallons maximum capacity, 70 ft diameter, 48 ft height.
- S2.010 Liquid Storage Tank #4, kerosene or diesel, 1,386,000 gallons maximum capacity, 70 ft diameter, 48 ft height.
- S2.011 Liquid Storage Tank #5, kerosene or diesel, 1,386,000 gallons maximum capacity, 70 ft diameter, 48 ft height.
- S2.012 Liquid Storage Tank #6, kerosene or diesel, 1,386,000 gallons maximum capacity, 70 ft diameter, 48 ft height.



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**Section I. General Conditions**

- A. Nevada Administrative Code (NAC) 445B.315.2.c, (NAC Per Nevada's Part 70 Program 445.7112.2.c) Part 70 Program Severability  
Each of the conditions and requirements of this Operating Permit is severable and, if any are held invalid, the remaining conditions and requirements continue in effect.
- B. Nevada Revised Statute (NRS) 445B.470 (State Only Requirement)  
Prohibited Acts  
Naniwa Energy, LLC shall not knowingly:
1. Violate any applicable provision, the terms or conditions of any permit or any provision for the filing of information;
  2. Fail to pay any fee;
  3. Falsify any material statement, representation or certification in any notice or report; or
  4. Render inaccurate any monitoring device or method, required pursuant to the provisions of NRS 445B.100 to 445B.450, inclusive, or 445B.470 to 445B.640, inclusive, or any regulation adopted pursuant to those provisions.
- C. NAC 445B.349 (State Only Requirement)  
Prohibited Discharge  
Naniwa Energy, LLC shall not cause or permit the discharge into the atmosphere from any stationary source of any hazardous air pollutant or toxic regulated air pollutant that threatens the health and safety of the general public, as determined by the director.
- D. NAC 445B.225 (State Only Requirement)  
Prohibited Conduct: Concealment of Emissions  
Naniwa Energy, LLC shall not install, construct, or use any device which conceals any emission without reducing the total release of regulated air pollutants to the atmosphere.
- E. State Implementation Plan (SIP) 445.663 (Federally Enforceable State Implementation Plan (SIP) Requirement)  
Concealment of Emissions Prohibited  
Except for the sole purpose of reducing the odor of an emission, Naniwa Energy, LLC may not install, construct, or use any device which conceals any emission without reducing the total release of air contaminants to the atmosphere.
- F. NAC 445B.315.2.d (445.7112.2.d) Part 70 Program Compliance/Noncompliance  
Naniwa Energy, LLC shall comply with all conditions of this Operating Permit. Any noncompliance constitutes a violation and is grounds for:
1. An action for noncompliance;
  2. Modifying, revoking, reopening and revising, or terminating the Operating Permit; or
  3. Denial of an application for a renewal of the Operating Permit.
- G. SIP 445.695.1 (Federally Enforceable SIP Requirement)  
Time for Compliance  
Naniwa Energy, LLC's new and existing sources shall comply with SIP 445.430 to 445.846, inclusive. Existing sources are in compliance with these regulations and may continue to operate under the provisions of their approved compliance schedules, which may be amended from time to time.
- H. NAC 445B.273.1 (State Only Requirement)  
Schedules for Compliance  
Naniwa Energy, LLC shall comply with NAC 445B.001 through 445B.395, inclusive. Existing stationary sources are in compliance with those sections and may continue to operate under the provisions of their approved compliance schedules, which may be amended from time to time.



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**Section I. General Conditions (continued)**

- I. NAC 445B.326.1 (445.7133.1) Part 70 Program  
Assertion of Emergency as Affirmative Defense to Action for Noncompliance  
Naniwa Energy, LLC may assert an affirmative defense to an action brought for noncompliance with a technology-based emission limitation contained in the Operating Permit if the holder of the Operating Permit demonstrates through signed, contemporaneous operating logs or other relevant evidence that:
- An emergency occurred as defined in 445B.056 and the holder of the Operating Permit can identify the cause of the emergency;
  - The facility was being properly operated at the time of the emergency;
  - During the emergency, the holder of the Operating Permit took all reasonable steps to minimize excess emissions; and
  - The holder of the Operating Permit submitted notice of the emergency to the director within 2 working days after the emergency. The notice must contain a description of the emergency, any steps taken to mitigate emissions, and any corrective actions taken to restore the normal operation of the facility.
- J. NAC 445B.315.2.e (445.7112.2.e) Part 70 Program  
The need to halt or reduce activity to maintain compliance with the conditions of this Operating Permit is not a defense to noncompliance with any conditions of this Operating Permit.
- K. NAC 445B.315.2.f (445.7112.2.f) Part 70 Program  
The director may modify, revoke and reissue, reopen and revise, or terminate the operating permit for cause.
- L. NAC 445B.325 (445.7131) Part 70 Program  
Termination, reopening and revision, modification, and revocation and reissuance
- A Class I operating permit must be reopened and revised to incorporate any additional applicable requirement adopted pursuant to the Act if, on the effective date of the applicable requirement, the operating permit has a remaining term of 3 or more years. The reopening must be completed no later than 18 months after the effective date of the applicable requirement.
  - An operating permit may be terminated, reopened and revised, modified, or revoked and reissued if:
    - The director or the administrator determines that the operating permit contains a material mistake or is based on inaccurate statements;
    - The director or the administrator determines that the operating permit, as written, does not ensure compliance with all applicable requirements; or
    - The director determines that there has been a violation of any of the provisions of NAC 445B.001 (NAC 445.430) to 445B.395 (445.846), inclusive, any applicable requirement, or any condition contained in the operating permit.
- M. 445B.333 (State Only Requirement)  
Revocation and reissuance
- 445B.333.2. - Naniwa Energy, LLC's operating permit may be revoked by the director upon determination that there has been a violation of NAC 445B.001 to 445B.395, inclusive, or the provisions of 40 CFR Part 52.21, or 40 CFR Part 60 or 61, Prevention of Significant Deterioration, New Source Performance Standards, and National Emission Standards for Hazardous Air Pollutants adopted by reference in NAC 445B.221.
- 445B.333.3. - The revocation is effective 10 days after the service of a written notice, unless a hearing is requested.
- N. SIP 445.715 (Federally Enforceable SIP Requirement)  
Revocation
- Naniwa Energy, LLC's operating permit may be revoked if the control equipment is not operating.
  - Naniwa Energy, LLC's operating permit can be revoked by the Director upon determination that there has been a violation of SIP 445.430 to 445.846, inclusive, or 40 CFR Parts 60 or 61, New Source Performance Standards and National Emissions Standards for Hazardous Air Pollutants.
  - The revocation is effective 10 days after the service of a written notice, and the revoked operating permit shall be surrendered immediately unless a hearing is requested.



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**Section I. General Conditions (continued)**

- O. NAC 445B.315.2.g (445.7112.2.g) Part 70 Program  
This Operating Permit does not convey any property rights or any exclusive privilege.
- P. NAC 445B.315.2.h (445.7112.2.h) Part 70 Program  
Naniwa Energy, LLC shall provide the Bureau of Air Quality, within a reasonable time, with any information that the Bureau of Air Quality requests in writing to determine whether cause exists for modifying, revoking and reissuing, reopening and revising or terminating this Operating Permit or to determine compliance with the conditions of this Operating Permit.
- Q. NAC 445B.315.2.i (445.7145, 445.7112.2.i) Part 70 Program  
Naniwa Energy, LLC shall pay fees to the Bureau of Air Quality in accordance with the provisions set forth in NAC 445B.327 and 445B.331.
- R. NAC 445B.315.2.j (445.7112.2.j) Part 70 Program  
Right to Entry  
Naniwa Energy, LLC shall allow the Bureau of Air Quality staff, upon the presentation of credentials, to:
1. Enter upon the premises of Naniwa Energy, LLC where:
    - a. The stationary source is located;
    - b. Activity related to emissions is conducted; or
    - c. Records are kept pursuant to the conditions of this Operating Permit;
  2. Have access to and copy, during normal business hours, any records that are kept pursuant to the conditions of this Operating Permit;
  3. Inspect, at reasonable times, any facilities, practices, operations, or equipment, including any equipment for monitoring or controlling air pollution, that are regulated or required pursuant to this Operating Permit; and
  4. Sample or monitor, at reasonable times, substances or parameters to determine compliance with the conditions of this Operating Permit or applicable requirements.
- S. NAC 445B.315.2.k (445.7112.2.k) Part 70 Program  
A responsible official of Naniwa Energy, LLC shall certify that, based on information and belief formed after reasonable inquiry, the statements made in any document required to be submitted by any condition of this Operating Permit are true, accurate and complete.
- T. 40 CFR 52.21(r)(4) (Federally Enforceable PSD Program)  
At such time that Naniwa Energy, LLC becomes a major stationary source or major modification solely by virtue of a relaxation in any enforceable limitation which was established after August 7, 1980, on the capacity of the source or modification otherwise to emit a pollutant, such as a restriction on hours of operation, then the requirements of 40 CFR Part 52.21 paragraphs (j) through (s) of this section shall apply to the source or modification as though construction had not yet commenced on the source or modification.
- U. (NAC 445B.252) (State Only Requirement)  
Testing and Sampling
1. To determine compliance with NAC 445B.001 to 445B.395, inclusive, before the approval or the continuance of an Operating Permit or similar class of permits, the director may either conduct or order the owner of any stationary source to conduct or have conducted such testing and sampling as the director determines necessary. Testing and sampling or either of them must be conducted and the results submitted to the director within 60 days after achieving the maximum rate of production at which the affected facility will be operated, but not later than 180 days after initial startup of the facility and at such times as may be required by the director.
  2. Tests of performance must be conducted and data reduced in accordance with the methods and procedures of the test contained in each applicable subsection of this section unless the director:
    - a. Specifies or approves, in specific cases, the use of a method of reference with minor changes in methodology;
    - b. Approves the use of an equivalent method;
    - c. Approves the use of an alternative method, the results of which he has determined to be adequate for indicating whether a specific stationary source is in compliance; or
    - d. Waives the requirement for tests of performance because the owner or operator of a stationary source has demonstrated by other means to the director's satisfaction that the affected facility is in compliance with the standard.



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**Section I. General Conditions (continued)**

U. (NAC 445B.252) (*State Only Requirement*) (Continued)

Testing and Sampling (Continued)

3. Tests of performance must be conducted under such conditions as the director specifies to the operator of the plant based on representative performance of the affected facility. The owner or operator shall make available to the director such records as may be necessary to determine the conditions of the test of performance. Operations during periods of startup, shutdown, and malfunction must not constitute representative conditions of a test of performance unless otherwise specified in the applicable standard.
4. The owner or operator of an affected facility shall give notice to the director 30 days before the test of performance to allow the director to have an observer present. A written testing procedure for the test of performance must be submitted to the director at least 30 days before the test of performance to allow the director to review the proposed testing procedures.
5. Each test of performance must consist of at least three separate runs using the applicable method for that test. Each run must be conducted for the time and under the conditions specified in the applicable standard. For the purpose of determining compliance with an applicable standard, the arithmetic means of results of the runs apply. In the event of forced shutdown, failure of an irreplaceable portion of the sampling train, extreme meteorological conditions, or other circumstances with less than three valid samples being obtained, compliance may be determined using the arithmetic mean of the results of the other two runs upon the director's approval.
6. All testing and sampling will be performed in accordance with recognized methods as specified by the director.
7. The cost of all testing and sampling and the cost of all sampling holes, scaffolding, electric power, and other pertinent allied facilities as may be required and specified in writing by the director must be provided and paid for by the owner of the stationary source.
8. All information and analytical results of testing and sampling must be certified as to their truth and accuracy and as to their compliance with all provisions of these regulations, and copies of these results must be provided to the director no later than 60 days after the testing or sampling, or both.

V. SIP 445.682 (*Federally Enforceable SIP Requirement*)

Testing and Sampling

1. To determine compliance with sip 445.430 to 445.846, inclusive, prior to approval of or prior to the continuance of an operating permit or similar class of permits, the Director may either conduct or order the owner of any source to conduct or have conducted such testing and sampling as the Director determines necessary. Testing and sampling or either of them must be conducted within 60 days after achieving the maximum production rate at which the affected facility will be operated, but not later than 180 days after initial startup of such facility and at such other times as may be required by the Director.
2. Performance tests must be conducted and data reduced in accordance with the test methods and procedures contained in each applicable Subpart unless the Director
  - (a) Specifies or approves, in specific cases, the use of a reference method with minor changes in methodology;
  - (b) Approves the use of an equivalent method;
  - (c) Approves the use of an alternative method, the results of which he has determined to be adequate for indicating whether a specific source is in compliance; or
  - (d) Waives the requirement for performance tests because the owner or operator of a source has demonstrated by other means to the Director's satisfaction that the affected facility is in compliance with the standard.
3. Performance tests shall be conducted under such conditions as the Director shall specify to the plant operator based on representative performance of the affected facility. The owner or operator shall make available to the Director such records as may be necessary to determine the conditions of the performance tests. Operations during periods of startup, shutdown and malfunction must not constitute representative conditions of performance tests unless otherwise specified in the applicable standard.
4. The owner or operator of an affected facility shall provide the Director 30 days' prior notice of the performance test to afford the Director the opportunity to have an observer present.



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**Section I. General Conditions (continued)**

V. SIP 445.682 (Federally Enforceable SIP Requirement)  
Testing and Sampling (Continued)

5. Each performance test shall consist of at least two separate runs using the applicable test method. Each run shall be conducted for the time and under the conditions specified in the applicable standard. For the purpose of determining compliance with an applicable standard, the arithmetic means of results of the runs shall apply. In the event of forced shutdown, failure of an irreplaceable portion of the sampling train, extreme meteorological conditions, or other circumstances with less than two valid samples being obtained, an additional performance test must be conducted.
6. All testing and sampling will be performed in accordance with recognized methods as specified by the director.
7. The cost of all testing and sampling and the cost of all sampling holes, scaffolding, electric power, and other pertinent allied facilities as may be required and specified in writing by the director shall be provided and paid for by the owner of the source.
8. All information and analytical results of testing and sampling shall be certified as to their truth and accuracy and as to their compliance with all provisions of these (SIP) regulations and copies of these results must be provided to both the owner and director.

W. NAC 445B.381 (State Only Requirement)  
Open Burning

The open burning of any combustible refuse, waste, garbage, oil, or for any salvage operations, except as specifically exempted, is prohibited. Specific exemptions from open burning are described in NAC 445B.381.2.

X. SIP Article 5.1 (Federally Enforceable SIP Requirement)  
Open Burning

The open burning of any combustible refuse, waste, garbage, oil, or for any salvage operations, except as specifically exempted, is prohibited. Specific exemptions from open burning are described in SIP Articles 5.2, 5.2.1, 5.2.2, 5.2.3, 5.2.4 and 5.2.5.

Y. NAC 445B.354 (State Only Requirement)  
Maximum Opacity of Emissions

1. Except as otherwise provided in this section and NAC 445B.355 and 445B.357, no owner or operator may cause or permit the discharge into the atmosphere from any emission unit which is of an opacity equal to or greater than 20 percent. Opacity must be determined by one of the following methods:
  - (a) If opacity is determined by a visual measurement, it must be determined as set forth in Reference Method 9 in Appendix A of 40 C.F.R. Part 60.
  - (b) If a source uses a continuous monitoring system for the measurement of opacity, the data must be reduced to 6-minute averages as set forth in 40 C.F.R. §§ 60.13(h).
2. The provisions of this section and NAC 445B.355 and 445B.357 do not apply to that part of the opacity that consists of uncombined water. The burden of proof to establish the application of this exemption is upon the person seeking to come within the exemption.

Z. SIP 445.721 (Federally Enforceable SIP Requirement)  
Maximum Opacity of Emissions

1. Unless otherwise provided in SIP 445.721 to 445.724, inclusive, Naniwa Energy, LLC may not cause or permit the discharge into the atmosphere from any stationary source of any air contaminant for a period or periods aggregating more than 3 minutes in any one hour which is of an opacity equal to or greater than 20 percent.
2. SIP 445.721 to 445.724, inclusive do not apply if the presence of uncombined water is the only reason for the failure of an emission to comply with these regulations. The burden of proof to establish the application of this exemption shall be upon the person seeking to come within this exemption.
3. The continuous monitoring system for monitoring opacity at a facility must be operated and maintained by the owner or operator specified in the permit for the facility in accordance with SIP 445.683 to 445.693, inclusive.

AA. NAC 445B.393 (State Only Requirement)  
Odors

Naniwa Energy, LLC may not discharge or cause to be discharged, from any stationary source, any material or regulated air pollutant which is or tends to be offensive to the senses, injurious or detrimental to health and safety, or which in any way interferes with or prevents comfortable enjoyment of life or property.



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**Section I. General Conditions (continued)**

AB. SIP 445.844 (*Federally Enforceable SIP Requirement*)

Odors

1. **Naniwa Energy, LLC** may not discharge or cause to be discharged, from any source, any material or air contaminant which is or tends to be offensive to the senses, injurious or detrimental to health and safety, or which in any way interferes with or prevents the comfortable enjoyment of life or property.

AC. NAC 445B.319 (445.7122), 445B.320 (445.7124), 445B.321 (445.7126) and 445B.322 (445.7128). *Part 70 Program*

Any changes to this Operating Permit will comply with all provisions established under NAC 445B.319 (445.7122), 445B.320 (445.7124), 445B.321 (445.7126) and 445B.322 (445.7128).

AD. NAC 445B.323 (445.713). *Part 70 Program*

Renewal of this Operating Permit will be in accordance with NAC 445B.323 (445.713).

AE. NAC 445B.365 (*State Only Requirement*)

Fugitive Dust

1. **Naniwa Energy, LLC** may not cause or permit the handling, transporting, or storing of any material in a manner which allows or may allow controllable particulate matter to become airborne.
2. Except as otherwise provided in subsection 4, **Naniwa Energy, LLC** may not cause or permit the construction, repair, demolition, or use of unpaved or untreated areas without first putting into effect an ongoing program using the best practical methods to prevent particulate matter from becoming airborne. As used in this subsection, "best practical methods" includes, but is not limited to, paving, chemical stabilization, watering, phased construction, and revegetation.
3. Except as provided in subsection 4, **Naniwa Energy, LLC** may not disturb or cover 5 acres or more of land or its topsoil until he has obtained an Operating Permit for surface area disturbance to clear, excavate, or level the land or to deposit any foreign material to fill or cover the land.
4. The provisions of subsections 2 and 3 do not apply to:
  - a. Agricultural activities occurring on agricultural land; or
  - b. Surface disturbances authorized by a permit issued pursuant to NRS 519A.180 which occur on land which is not less than 5 acres or more than 20 acres.

AF. SIP 445.734 (*Federally Enforceable SIP Requirement*)

Fugitive Dust

1. **Naniwa Energy, LLC** may not cause or permit the handling, transporting or storing of any material in a manner which allows or may allow controllable particulate matter to become airborne.
2. In any area designated by the Director, **Naniwa Energy, LLC** shall not cause or permit the construction, repair, demolition or use of unpaved or untreated areas without first applying all such measures required by the director to prevent particulate matter from becoming airborne.
3. **Naniwa Energy, LLC** may not disturb or cover 20 acres (8 hectares) or more of land or its topsoil, other than agricultural land, until he has obtained a registration certificate or operating permit for the purpose of clearing, excavating or leveling the land or any foreign material to fill or cover the land.

AG. NAC 445B.308 (*State Only Requirement*)

RESERVED

Or

This Operating Permit applies only to the emission units listed on the front page and section VI of this permit. Any remaining emission units located at the **Naniwa Energy, LLC** not covered by this permit shall continue to be operated in accordance with the existing facility-wide operating permit conditions, as issued to those emission units by the Bureau of Air Quality.

\*\*\*\*\*End of General Conditions\*\*\*\*\*



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**Section II. General Construction Conditions**

No construction conditions applicable

\*\*\*\*\*End of General Construction Conditions\*\*\*\*\*





CLASS I AIR QUALITY OPERATING PERMIT

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**Section III. General Operating Conditions**

A. NAC 445B.227 (445.664) Part 70 Program

Facilities Operation

Naniwa Energy, LLC may not:

1. Operate a stationary source of air pollution unless the control equipment for air pollution which is required by applicable requirements or conditions of this Operating Permit is installed and operating.
2. Disconnect, alter, modify or remove any of the control equipment for air pollution or modify any procedure required by an applicable requirement or condition of this Operating Permit.

B. NAC 445B.232 (State Only Requirement)

Excess Emissions

1. Scheduled maintenance or testing or scheduled repairs which may result in excess emissions of regulated air pollutants prohibited by NAC 445B.001 to 445B.395, inclusive, must be approved by the director and performed during a time designated by the director as being favorable for atmospheric ventilation.
2. The director must be notified in writing of the time and expected duration at least 24 hours in advance of any scheduled maintenance which may result in excess emissions of regulated air pollutants prohibited by NAC 445B.001 to 445B.395, inclusive.
3. The director must be notified in writing or by telephone of the time and expected duration at least 24 hours in advance of any scheduled repairs which may result in excess emissions of regulated air pollutants prohibited by NAC 445B.001 to 445B.395, inclusive.
4. The director must be notified of any excess emissions within 24 hours after any malfunction or upset of the process equipment or equipment for controlling pollution or during startup or shutdown of such equipment. The telephone number for the notification is (702) 687-4670.
5. Naniwa Energy, LLC, as the owner or operator of an affected facility, shall provide the director, within 15 days after any malfunction, upset, startup, shutdown, or human error which results in excess emissions, sufficient information to enable the director to determine the seriousness of the excess emissions. The information must include at least the following:
  - a. The identity of the stack or other point of emission, or both, where the excess emissions occurred.
  - b. The estimated magnitude of the excess emissions expressed in opacity or in units of the applicable limitation on emission and the operating data and methods used in estimating the magnitude of the excess emissions.
  - c. The time and duration of the excess emissions.
  - d. The identity of the equipment causing the excess emissions.
  - e. If the excess emissions were the result of a malfunction, the steps taken to remedy the malfunction and the steps taken or planned to prevent the recurrence of the malfunction.
  - f. The steps taken to limit the excess emissions.
  - g. Documentation that the equipment for controlling air pollution, process equipment, or processes were at all times maintained and operated, to a maximum extent practicable, in a manner consistent with good practice for minimizing emissions.

C. SIP 445.667 (Federally Enforceable SIP Requirement)

Excess Emissions: Scheduled Maintenance; Testing; Malfunction

1. Scheduled maintenance or testing approved by the Director or repairs which may result in excess emissions of air contaminants prohibited by SIP 445.430 to 445.846, inclusive, must be performed during a time designated by the director as being favorable for atmospheric ventilation.
2. The director shall be notified in writing on the time and expected duration at least 24 hours in advance of any scheduled maintenance or repairs which may result in excess emissions of air contaminants prohibited by SIP 445.430 to 445.846, inclusive.
3. The director must be notified within 24 hours after any malfunction, breakdown or upset of process or pollution control equipment or during startup of such equipment. Phone (775) 687-4670.



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**Section III. General Operating Conditions (continued)**

C. SIP 445.667 (*Federally Enforceable SIP Requirement*)

Excess Emissions: Scheduled Maintenance; Testing; Malfunction (Continued)

4. The owner or operator of an affected facility shall provide the director, within 15 days after any malfunction, breakdown, upset, startup or human error sufficient information to enable the director to determine the seriousness of the excess emissions. The submission must include as a minimum:
- (a) The identity of the stack and other emission point or either of them where the excess emission occurred.
  - (b) The estimated magnitude of the excess emissions expressed in opacity or in the units of the applicable emission limitation and the operating data and methods used in estimating the magnitude of the excess emissions.
  - (c) The time and duration of the excess emissions.
  - (d) The identity of the equipment causing the excess emissions.
  - (e) If the excess emissions were the result of a malfunction, steps taken to remedy the malfunction and the steps taken or planned to prevent the recurrence of the malfunctions.
  - (f) The steps taken to limit the excess emissions.
  - (g) Documentation that the air pollution control equipment, process equipment or processes were at all times maintained and operated, to a maximum extent practicable, in a manner consistent with good practice for minimizing emissions.

\*\*\*\*\***End of General Operating Conditions**\*\*\*\*\*



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**Section IV. Federal Regulations and Applicable Requirements**

A. The following provisions are applicable requirements of this Operating Permit:

1. **Naniwa Energy, LLC** will comply with all applicable provisions of;
  - a. 40 CFR Part 60.1 - 60.19 - Standards of Performance for New Stationary Sources - General Provisions;
  - b. 40 CFR Part 61.01 - 61.19 - National Emission Standards for Hazardous Air Pollutants - General Provisions;
  - c. 40 CFR Part 61.140 - 61.157 - National Emission Standard for Asbestos;
  - d. 40 CFR Part 63.1 - 63.15 - National Emission Standards for Hazardous Air Pollutants for Source Categories - General Provisions;
  - e. 40 CFR Part 70 - State Operating Permit Programs.
2. **Naniwa Energy, LLC** is subject to 40 CFR Part 68 - Chemical Accident Prevention Provisions. **Naniwa Energy, LLC** shall submit a risk management plan (RMP) by June 21, 1999, or other dates specified in 40 CFR 68.10. **Naniwa Energy, LLC** shall certify compliance with these requirements as part of the annual compliance certification as required by 40 CFR Part 70.
3. **Naniwa Energy, LLC** will comply with all provisions of 40 CFR Part 82. Persons opening appliances for maintenance, service, repair, or disposal must comply with the required practices pursuant to 40 CFR 82.156. Equipment used during maintenance, service, repair, or disposal of appliances must meet the standards for recycling and recovery equipment in accordance with 40 CFR 82.158. Persons performing maintenance, service, repair or disposal of appliances must be certified by a certified technician pursuant to 40 CFR 82.161.

B. **Naniwa Energy, LLC** will comply with the following Acid Rain provisions: [40 CFR Part 72.9]

1. **Monitoring Requirements.**
  - a. The owners and operators and, to the extent applicable, designated representative of each affected source and each affected unit at the source shall comply with the monitoring requirements as provided in 40 CFR Part 75.
  - b. The emissions measurements recorded and reported in accordance with 40 CFR Part 75 shall be used to determine compliance by the unit with the Acid Rain emissions limitations and emissions reduction requirements for sulfur dioxide and nitrogen oxides under the Acid Rain Program.
  - c. The requirements of 40 CFR Part 75 shall not affect the responsibility of the owners and operators to monitor emissions of other pollutants or other emissions characteristics at the unit under other applicable requirements of the Act and other provisions of the operating permit for the source.
2. **Sulfur Dioxide Requirements.**
  - a. The owners and operators of each source and each affected unit at the source shall:
    - (i) Hold allowances, as of the allowance transfer deadline, in the unit's compliance subaccount (after deductions under 40 CFR Part 73.34(c)) not less than the total annual emissions of sulfur dioxide for the previous calendar year from the unit; and
    - (ii) Comply with the applicable Acid Rain emissions limitation for sulfur dioxide.
  - b. Each ton of sulfur dioxide emitted in excess of the Acid Rain emissions limitations for sulfur dioxide shall constitute a separate violation of the Act.
  - c. An affected unit shall be subject to the requirements under 40 CFR Part 72.9(c)(1) as follows:
    - (i) Starting January 1, 1995, an affected unit under 40 CFR Part 72.6(a)(1);
    - (ii) Starting on or after January 1, 1995 in accordance with 40 CFR Parts 72.41 and 72.43, an affected unit under 72.6(a)(2) or (3) that is a substitution or compensating unit;
    - (iii) Starting January 1, 2000, an affected unit under 40 CFR Part 72.6(a)(2) that is not a substitution or compensating unit; or
    - (iv) Starting on the later of January 1, 2000 or the deadline for monitor certification under Part 75, an affected unit under 40 CFR Part 72.6(a)(3) that is not a substitution or compensating unit.
  - d. Allowances shall be held in, deducted from, or transferred among Allowance Tracking System accounts in accordance with the Acid Rain Program.



CLASS I AIR QUALITY OPERATING PERMIT

Issued to: NANIWA ENERGY, LLC

**Section IV. Federal Regulations and Applicable Requirements  
(Continued)**

2. Sulfur Dioxide Requirements. (Continued)
  - e. An allowance shall not be deducted, in order to comply with the requirements under 40 CFR Part 72.9(c)(1)(I), prior to the calendar year for which the allowance was allocated.
  - f. An allowance allocated by the Administrator under the Acid Rain Program is a limited authorization to emit sulfur dioxide in accordance with the Acid Rain Program. No provision of the Acid Rain Program, the Acid Rain permit application, the Acid Rain permit, or an exemption under 40 CFR Parts 72.7, 72.8, or 72.14 and no provision of law shall be construed to limit the authority of the United States to terminate or limit such authorization.
  - g. An allowance allocated by the Administrator under the Acid Rain Program does not constitute a property right.
3. Nitrogen Oxides Requirements. The owners and operators of the source and each affected unit at the source shall comply with the applicable Acid Rain emissions limitation for nitrogen oxides.
4. Excess Emissions Requirements.
  - a. The designated representative of an affected unit that has excess emissions in any calendar year shall submit a proposed offset plan, as required under 40 CFR Part 77.
  - b. The owners and operators of an affected unit that has excess emissions in any calendar year shall:
    - (i) Pay without demand the penalty required, and pay upon demand the interest on that penalty, as required by 40 CFR Part 77; and
    - (ii) Comply with the terms of an approved offset plan, as required by 40 CFR Part 77.
5. Recordkeeping and Reporting Requirements.
  - a. Unless otherwise provided, the owners and operators of the source and each affected unit at the source shall keep on site at the source each of the following documents for a period of 5 years from the date the document is created. This period may be extended for cause, at any time prior to the end of 5 years, in writing by the Administrator or permitting authority.
    - (i) The certificate of representation for the designated representative for the source and each affected unit at the source and all documents that demonstrate the truth of the statements in the certificate of representation, in accordance with 40 CFR Part 72.24; provided that the certificate and documents shall be retained on site at the source beyond such 5-year period until such documents are superseded because of the submission of a new certificate of representation changing the designated representative.
    - (ii) All emissions monitoring information, in accordance with 40 CFR Part 75; provided that to the extent that 40 CFR Part 75 provides for a 3-year period for recordkeeping, the 3-year period shall apply.
    - (iii) Copies of all reports, compliance certifications, and other submissions and all records made or required under the Acid Rain Program.
    - (iv) Copies of all documents used to complete an Acid Rain permit application and any other submission under the Acid Rain Program or to demonstrate compliance with the requirements of the Acid Rain Program.
  - b. The designated representative of an affected source and each affected unit at the source shall submit the reports and compliance certifications required under the Acid Rain Program, including those under 40 CFR Part 72, Subpart I and 40 CFR Part 75.
6. Liability.
  - a. Any person who knowingly violates any requirement or prohibition of the Acid Rain Program, a complete Acid Rain permit application, an Acid Rain permit, or an exemption under 40 CFR Parts 72.7, 72.8, or 72.14, including any requirement for the payment of any penalty owed to the United States, shall be subject to enforcement pursuant to section 113(c) of the Act.
  - b. Any person who knowingly makes a false, material statement in any record, submission, or report under the Acid Rain Program shall be subject to criminal enforcement pursuant to section 113(c) of the Act and 18 U.S.C. 1001.
  - c. No permit revision shall excuse any violation of the requirements of the Acid Rain Program that occurs prior to the date that the revision takes effect.
  - d. Each affected source and each affected unit shall meet the requirements of the Acid Rain Program.
  - e. Any provision of the Acid Rain Program that applies to an affected source (including a provision applicable to the designated representative of an affected source) shall also apply to the owners and operators of such source and of the affected units at the source.



CLASS I AIR QUALITY OPERATING PERMIT

Issued to: NANIWA ENERGY, LLC

**Section IV. Federal Regulations and Applicable Requirements**  
**(Continued)**

6. Liability. (Continued)
  - f. Any provision of the Acid Rain Program that applies to an affected unit (including a provision applicable to the designated representative of an affected unit) shall also apply to the owners and operators of such unit. Except as provided under 40 CFR Part 72.41 (substitution plans), 40 CFR Part 72.42 (Phase I extension plans), 40 CFR Part 72.43 (reduced utilization plans), 40 CFR Part 72.44 (Phase II repowering extension plans), 40 CFR Part 74.47 of this chapter (thermal energy plans), and 40 CFR Part 76.11 of this chapter; and (NOX averaging plans), and except with regard to the requirements applicable to units with a common stack under 40 CFR Part 75 of this chapter (including Parts 75.16, 75.17 and 75.18 of this chapter), the owners and operators and the designated representative of one affected unit shall not be liable for any violation by any other affected unit of which they are not owners or operators or the designated representative and that is located at a source of which they are not owners or operators or the designated representative.
  - g. Each violation of a provision of 40 CFR Parts 72, 73, 74, 75, 76, 77, and 78 of this chapter, by an affected source or affected unit, or by an owner or operator or designated representative of such source or unit, shall be a separate violation of the Clean Air Act.
7. Effect on Other Authorities. No provision of the Acid Rain Program, an Acid Rain permit application, an Acid Rain permit, or an exemption under 40 CFR Parts 72.7, 72.8, or 72.14 shall be construed as:
  - a. Except as expressly provided in title IV of the Act, exempting or excluding the owners and operators and, to the extent applicable, the designated representative of an affected source or affected unit from compliance with any other provision of the Act, including the provisions of title I of the Act relating to applicable National Ambient Air Quality Standards or State Implementation Plans.
  - b. Limiting the number of allowances a unit can hold; provided, that the number of allowances held by the unit shall not affect the source's obligation to comply with any other provisions of the Act.
  - c. Requiring a change of any kind in any State law regulating electric utility rates and charges, affecting any State law regarding such State regulation, or limiting such State regulation, including any prudence review requirements under such State law.
  - d. Modifying the Federal Power Act or affecting the authority of the Federal Energy Regulatory Commission under the Federal Power Act.
  - e. Interfering with or impairing any program for competitive bidding for power supply in a State in which such program is established.

\*\*\*\*\*End of Federal Regulations and Applicable Requirements\*\*\*\*\*



CLASS I AIR QUALITY OPERATING PERMIT

Issued to: NANIWA ENERGY, LLC

**Section V. General Monitoring and Recordkeeping Conditions**

- A. NAC 445B.315 (445.7112) Part 70 Program  
Naniwa Energy, LLC shall retain records of all required monitoring data and supporting information for 5 years from the date of the sample collection, measurement, report or analysis. Supporting information includes, but is not limited to, all records regarding calibration and maintenance of the monitoring equipment and all original strip-chart recordings for continuous monitoring instrumentation.
- B. NAC 445B.316 (445.7114) Part 70 Program  
Naniwa Energy, LLC will:
1. Record monitoring information required by the conditions of this permit including the date, the location and the time of the sampling or the measurements and the operating conditions at the time of the sampling or measurements; and
  2. The date on which the analyses were performed, the company that performed them, the analytical techniques that the company used, and the results of such analyses.
- C. NAC 445B.316 (445.7114) Part 70 Program  
Naniwa Energy, LLC will:
1. Promptly report to the director all deviations from the requirements of this Operating Permit; and
  2. Report to the director the probable cause of all deviations and any action taken to correct the deviations. For this Operating Permit, prompt is defined as submittal of a report within 15 days of the deviation. This definition does not alter any reporting requirements as established for reporting of excess emissions as required under NAC 445B.232 (445.667) and under condition III.B of this permit, or for reporting of an emergency (as defined by NAC 445B.326(445.7133)) under condition I.I.; and
  3. Submit reports of any required monitoring every 6 months, within 8 weeks after June 30 and December 31 of each calendar year. The reports must contain a summary of the data collected as required by all monitoring, recordkeeping and compliance requirements and as specified in sections VI and VII of this operating permit.
- D. NAC 445B.315.2.h (445.7112.2.h) Part 70 Program  
Naniwa Energy, LLC will submit yearly reports including, but not limited to, throughput, production, fuel consumption, hours of operation; and emissions. These reports will be submitted on the form provided by the Bureau of Air Quality for all emission units/systems specified on the form. The completed form must be submitted to the Bureau of Air Quality no later than March 1 annually for the preceding calendar year, unless otherwise approved by the Bureau of Air Quality.
- E. NAC 445B.316 (445.7114) Part 70 Program  
Naniwa Energy, LLC will submit a compliance certification for all applicable requirements, reflecting the terms and conditions of the permit, to the Administrator of the Division of Environmental Protection and the Administrator of USEPA annually, on or before March 1 for the preceding calendar year. The compliance certification must include:
1. An identification of each term or condition of the Operating Permit that is the basis of the certification;
  2. The status of the stationary source's compliance with any applicable requirement;
  3. A statement of whether compliance was continuous or intermittent;
  4. The method used for determining compliance; and
  5. Any other facts the director determines to be necessary to determine compliance.
- F. SIP 445.692 (Federally Enforceable SIP Requirement)  
Notification and Recordkeeping
1. Naniwa Energy, LLC as the owner or operator subject to the provisions of SIP 2.17.10, 2.17.6 and 445.685 to 445.693, inclusive, shall maintain records of the occurrence and duration of any startup, shutdown, or malfunction in the operation of an affected facility and any malfunction of the air pollution control equipment or any periods during which a continuous monitoring system or monitoring device is inoperative.
- G. NAC 445B.308 State-Only Requirement  
The Department may use any credible monitoring or surveillance information other than the monitoring information required in this operating permit (including, but not limited to, any monitoring information obtained as a result of the Acid Rain program) to determine compliance with the terms and conditions of this operating permit.

\*\*\*\*\*End of General Monitoring and Recordkeeping Conditions\*\*\*\*\*



CLASS I AIR QUALITY OPERATING PERMIT

Issued to: NANIWA ENERGY, LLC

Section VI. Specific Operating Conditions

A. **Emission Units #S 2.001-2.006** location North 4381.435 km, East 283.974 km, UTM (Zone 11)

**System 01 - Combustion Turbines (Natural Gas Combustion)**

S2.001	Westinghouse Simple Cycle Combustion Turbine #1, 60 MWe ( nominal)
S2.002	Westinghouse Simple Cycle Combustion Turbine #1, 60 MWe ( nominal)
S2.003	Westinghouse Simple Cycle Combustion Turbine #1, 60 MWe ( nominal)
S2.004	Westinghouse Simple Cycle Combustion Turbine #1, 60 MWe ( nominal)
S2.005	Westinghouse Simple Cycle Combustion Turbine #1, 60 MWe ( nominal)
S2.006	Westinghouse Simple Cycle Combustion Turbine #1, 60 MWe ( nominal)

1. NAC 445B.316 (445.7114) Part 70 Program

Air Pollution Equipment

Emissions from **S 2.001- S 2.006** shall be controlled by water injection and exhaust emissions shall be ducted to a control system consisting of a selective catalytic reduction control for NO<sub>x</sub> and catalytic oxidizer for CO with 100% capture each. The maximum volume flow rate for each is 1,453,000 actual cubic feet per minute (ACFM). The volumetric flow rate may be determined by utilizing Method 2 - *Determination of Stack Gas Velocity and Volumetric Flow Rate* as referenced in 40 CFR Part 60, Appendix A.

2. NAC 445B.316 (445.7114) Part 70 Program

Emission Limits

- a. On and after the date of startup of **S2.001-S2.006**, Naniwa Energy, LLC will not discharge or cause the discharge into the atmosphere from the exhaust stacks of **S2.001-S2.006**, the following pollutants in excess of the following specified limits:
- (1) NAC 445B.305 (445.7075) Part 70 Program - The discharge of PM<sub>10</sub> (particulate matter less than 10 microns in diameter) to the atmosphere will not exceed **16 pound per hour**. This limit is less than the 186.69 pounds per hour maximum allowable emission limit as determined from NAC 445B.363 and the maximum allowable throughput as limited by A.3.a of this section. Annual emissions will not exceed the limit specified in Section VII.A. of this operating permit.
  - (2) NAC 445B.305 (445.7075) Part 70 Program - The discharge of PM (particulate matter) to the atmosphere will not exceed **16 pound per hour**. This limit is less than the 186.69 pounds per hour maximum allowable emission limit as determined from SIP 445.731 and the maximum allowable throughput as limited by A.3.a of this section. Annual emissions will not exceed the limit specified in Section VII.A. of this operating permit.
  - (3) The discharge of NO<sub>x</sub> (oxides of nitrogen) to the atmosphere will not exceed **72 pounds per hour**, each. Annual emissions will not exceed the limit specified in Section VII.A. of this operating permit.
  - (4) NAC 445B.305 (445.7075) Part 70 Program - The discharge of SO<sub>2</sub> (sulfur dioxide) to the atmosphere will not exceed **71 pounds per hour**, each. This limit is less than the 1,244.60 pounds per hour maximum allowable emission limit as determined from SIP 445.373 and the maximum allowable heat input as limited by A.3.a of this section. Annual emissions will not exceed the limit specified in Section VII.A. of this operating permit.
  - (5) The discharge of CO (carbon monoxide) to the atmosphere will not exceed **90 pounds per hour**, each. Annual emissions will not exceed the limit specified in Section VII.A. of this operating permit.
  - (6) The discharge of VOC (volatile organic compounds) to the atmosphere will not exceed **4 pounds per hour**, each. Annual emissions will not exceed the limit specified in Section VII.A. of this operating permit.
  - (7) The opacity from **S2.001** through **S2.006**, each, will not equal or exceed 20 percent in accordance with NAC 445B.354.
- b. **Specific Acid Rain Requirements**
- (1) Naniwa Energy, LLC will not exceed the SO<sub>2</sub> emission levels (acid rain allowances) for the facility without holding the required acid rain allowances in accordance with provisions of 40 CFR Subpart 72.9. [NAC 445B.305 (445.7075)]
  - (2) Naniwa Energy, LLC will comply with the "Standard Requirements" provisions of the SO<sub>2</sub> acid rain permit application, dated 3/02, 2001, entitled "Phase II Permit Application" and all references contained therein, which is hereby incorporated into this operating permit (Attachment 1). [NAC 445B.305 (445.7075)]



CLASS I AIR QUALITY OPERATING PERMIT

Issued to: NANIWA ENERGY, LLC

**Section VI. Specific Operating Conditions (Continued)**

A. Emission Units #S 2.001-2.006 (continue)

3. NAC 445B.316 (445.7114) Part 70 Program  
Operating Parameters

- a. The maximum allowable heat input for S2.001-S2.006 will not exceed 889 MMBtu per any one-hour period, each.
- b. The maximum allowable natural gas consumption rate for S2.001-S2.006 will not exceed 0.867 million cubic feet per hour, each.
- c. Naniwa Energy, LLC will combust only pipeline quality natural gas (for this operating scenario) in S2.001-S2.006.
- d. Hours
  - (1) S2.001-S2.006, each, may operate 24 hours a day.
  - (2) S2.001-S2.006 may operate 8760 hours per calendar year.

4. NAC 445B.316 (445.7114) Part 70 Program  
Monitoring, Record keeping and Compliance

a. Performance/Compliance Testing

Naniwa Energy, LLC, once before September 11, 2002, and once every year thereafter, will:

- (1) Conduct and record a Method 5 compliance test for PM (including the back-half catch), a Method 201A/ 202 compliance test for PM<sub>10</sub>, Method 20 compliance test for NO<sub>x</sub>, SO<sub>2</sub>, and diluent gasses, a Method 10 compliance test for CO, and Method 25A compliance test for VOC on each of the exhaust stacks of S2.001 - S2.006. Each compliance test must consist of at least three (3) valid runs, each. All performance tests must be conducted at the maximum production rate of the emission units as specified in A.3.a. or A.3.b. of this Section, whichever is greater. All test results must be expressed in units appropriate for comparison to the emission limits specified in A.2. of this Section. In addition to these tests, emissions of CO must also be determined during at least 2 representative startups of each unit.
- (2) The reference test methods specified may be replaced with equivalent EPA reference methods, as approved by the Director. The Method 5, 20, 10, and 25A compliance tests must be conducted in accordance with methods specified in 40 CFR Part 60, Appendix A. The Method 201A and 202 emissions test must be conducted in accordance with the methods specified in 40 CFR Part 51, Appendix M.
- (3) The Method 201A and 202 tests required in A.4.a.i. of this Section may be replaced by a Method 5 test which includes the back-half catch. All particulate captured in the Method 5 tests performed under this provision will be considered PM<sub>10</sub> emissions for determination of compliance with the emission limitations established in A.2.b. of this Section.
- (4) Conduct and record a Method 9 visible emissions reading on the exhaust stack of S2.001 through S2.006, each, concurrently with at least one of the compliance tests required for PM, PM<sub>10</sub>, NO<sub>x</sub>, SO<sub>2</sub>, CO, and VOC. Visible emissions readings will use the procedures contained in 40 CFR Part 60 Appendix A, Method 9. The visible emissions readings must be conducted by a certified visible emissions reader for a period of 6 minutes.
- (5) As a result of the compliance tests required in A.4.a. of this Section, establish a representative emission factor for each pollutant in units of lb/1000 gallon of fuel oil combusted. An emission factor (in lb/1000 gallon of fuel) which is representative of CO emissions during startup conditions must also be established. The emission factors must be established annually after each compliance test.

b. Monitoring and Recordkeeping

Naniwa Energy, LLC, upon the issuance date of this permit and during periods of fuel oil firing will:

- (1) Continuously monitor and record, the fuel oil usage for S2.001 - S2.006, each.
- (2) Sample, test and record the sulfur content (in percent by weight) of the fuel oil fed to S2.001 - S2.006, using ASTM D4057, on a daily basis.
- (3) Monitor and record, individually, the hours of operation for S2.001 - S2.006 on a daily basis.
- (4) The required monitoring and recordkeeping established in A.4.b.1. through A.4.b.3. of this Section, will be maintained in a contemporaneous log containing, at a minimum, the following recordkeeping:
  - (i) The calendar date of any required monitoring.
  - (ii) The total daily individual fuel usage in gallons per hour, for the corresponding date for each emission unit.
  - (iii) The total daily hours of operation for the corresponding date for each emission unit.
  - (iv) The corresponding average hourly fuel usage rate in gallon per hour. The average hourly throughput rate will be determined from the total daily throughput rate and the total daily hours of operation recorded in A.4.b.4.ii. and iii. of this Section.





CLASS I AIR QUALITY OPERATING PERMIT

Issued to: NANIWA ENERGY, LLC

Section VI. Specific Operating Conditions (continued)

B. Emission Units #S 2.001-2.006 location North 4381.435 km, East 283.974 km, UTM (Zone 11)

**System 01 - Combustion Turbines (Fuel Oil Combustion) - Alternative Scenario**

S2.001	Westinghouse Simple Cycle Combustion Turbine #1, 60 MWe ( nominal)
S2.002	Westinghouse Simple Cycle Combustion Turbine #1, 60 MWe ( nominal)
S2.003	Westinghouse Simple Cycle Combustion Turbine #1, 60 MWe ( nominal)
S2.004	Westinghouse Simple Cycle Combustion Turbine #1, 60 MWe ( nominal)
S2.005	Westinghouse Simple Cycle Combustion Turbine #1, 60 MWe ( nominal)
S2.006	Westinghouse Simple Cycle Combustion Turbine #1, 60 MWe ( nominal)

1. NAC 445B.316 (445.7114) Part 70 Program  
Air Pollution Equipment

Emissions from S 2.001- S 2.006 shall be controlled by water injection and exhaust emissions shall be ducted to a control system consisting of a selective catalytic reduction control for NO<sub>x</sub> and catalytic oxidizer for CO with 100% capture each. The maximum volume flow rate for each turbine is 1,453,000 actual cubic feet per minute (ACFM). The volumetric flow rate may be determined by utilizing Method 2 - *Determination of Stack Gas Velocity and Volumetric Flow Rate* as referenced in 40 CFR Part 60, Appendix A.

2. NAC 445B.316 (445.7114) Part 70 Program  
Emission Limits

- a. On and after the date of startup of S2.001-S2.006, Naniwa Energy, LLC will not discharge or cause the discharge into the atmosphere from the exhaust stacks of S2.001-S2.006, the following pollutants in excess of the following specified limits:
- (1) NAC 445B.305 (445.7075) Part 70 Program - The discharge of PM<sub>10</sub> (particulate matter less than 10 microns in diameter) to the atmosphere will not exceed **16 pound per hour**. This limit is less than the 186.69 pounds per hour maximum allowable emission limit as determined from NAC 445B.363 and the maximum allowable heat input as limited by B.3.a of this section. Annual emissions will not exceed the limit specified in Section VII.A. of this operating permit.
  - (2) NAC 445B.305 (445.7075) Part 70 Program - The discharge of PM (particulate matter) to the atmosphere will not exceed **16 pound per hour**. This limit is less than the 186.69 pounds per hour maximum allowable emission limit as determined from SIP 445.731 and the maximum allowable heat input as limited by B.3.a of this section. Annual emissions will not exceed the limit specified in Section VII.A. of this operating permit.
  - (3) The discharge of NO<sub>x</sub> (oxides of nitrogen) to the atmosphere will not exceed **72 pounds per hour**, each. Annual emissions will not exceed the limit specified in Section VII.A. of this operating permit.
  - (4) NAC 445B.305 (445.7075) Part 70 Program - The discharge of SO<sub>2</sub> (sulfur dioxide) to the atmosphere will not exceed **71 pounds per hour**, each. This limit is less than the 1,244.60 pounds per hour maximum allowable emission limit as determined from SIP 445.373 and the maximum allowable heat input as limited by B.3.a of this section. Annual emissions will not exceed the limit specified in Section VII.A. of this operating permit.
  - (5) The discharge of CO (carbon monoxide) to the atmosphere will not exceed **90 pounds per hour**, each. Annual emissions will not exceed the limit specified in Section VII.A. of this operating permit.
  - (6) The discharge of VOC (volatile organic compounds) to the atmosphere will not exceed **4 pounds per hour**, each. Annual emissions will not exceed the limit specified in Section VII.A. of this operating permit.
  - (7) The opacity from S2.001 through S2.006, each, will not equal or exceed 20 percent in accordance with NAC 445B.354.
- b. Specific Acid Rain Requirements
- (1) Naniwa Energy, LLC will not exceed the SO<sub>2</sub> emission levels (acid rain allowances) for the facility without holding the required acid rain allowances in accordance with provisions of 40 CFR Subpart 72.9. [NAC 445B.305 (445.7075)]
  - (2) Naniwa Energy, LLC will comply with the "Standard Requirements" provisions of the SO<sub>2</sub> acid rain permit application, dated 3/02, 2001, entitled "Phase II Permit Application" and all references contained therein, which is hereby incorporated into this operating permit (Attachment 1). [NAC 445B.305 (445.7075)]



CLASS I AIR QUALITY OPERATING PERMIT

Issued to: NANIWA ENERGY, LLC

**Section VI. Specific Operating Conditions (Continued)**

**B. Emission Units #S 2.001-2.006 (continue)**

**3. NAC 445B.316 (445.7114) Part 70 Program**

**Operating Parameters**

- a. The maximum allowable heat input for **S2.001-S2.006** will not exceed 889 MMBtu per any one-hour period, each.
- b. The maximum allowable fuel oil consumption rate for **S2.001-S2.006** will not exceed 6393 gallons per hour, each.
- c. **Hours**
  - (1) **S2.001-S2.006**, each, may operate 24 hours a day.
  - (2) **S2.001-S2.006** may operate 8760 hours per calendar

**4. NAC 445B.316 (445.7114) Part 70 Program**

**Monitoring, Record keeping and Compliance**

**a. Performance/Compliance Testing**

**Naniwa Energy, LLC**, within 60 days after achieving the maximum rate of production using this alternative scenario, but not later than 180 days after initial startup with this alternative scenario, and once every year thereafter, will:

- (1) Conduct and record a Method 5 compliance test for PM (including the back-half catch), a Method 201A/ 202 compliance test for PM<sub>10</sub>, Method 20 compliance test for NO<sub>x</sub>, SO<sub>2</sub>, and diluent gasses, a Method 10 compliance test for CO, and Method 25A compliance test for VOC on each of the exhaust stacks of **S2.001 - S2.006**. Each compliance test must consist of at least three (3) valid runs, each. All performance tests must be conducted at the maximum production rate of the emission units as specified in B.3.a. or B.3.b. of this Section, whichever is greater. All test results must be expressed in units appropriate for comparison to the emission limits specified in B.2. of this Section. In addition to these tests, emissions of CO must also be determined during at least 2 representative startups of each unit.
- (2) The reference test methods specified may be replaced with equivalent EPA reference methods, as approved by the Director. The Method 5, 20, 10, and 25A compliance tests must be conducted in accordance with methods specified in 40 CFR Part 60, Appendix A. The Method 201A and 202 emissions test must be conducted in accordance with the methods specified in 40 CFR Part 51, Appendix M.
- (3) The Method 201A and 202 tests required in B.4.a.i. of this Section may be replaced by a Method 5 test which includes the back-half catch. All particulate captured in the Method 5 tests performed under this provision will be considered PM<sub>10</sub> emissions for determination of compliance with the emission limitations established in B.2.b. of this Section.
- (4) Conduct and record a Method 9 visible emissions reading on the exhaust stack of **S2.001 through S2.006**, each, concurrently with at least one of the compliance tests required for PM, PM<sub>10</sub>, NO<sub>x</sub>, SO<sub>2</sub>, CO, and VOC. Visible emissions readings will use the procedures contained in 40 CFR Part 60 Appendix A, Method 9. The visible emissions readings must be conducted by a certified visible emissions reader for a period of 6 minutes.
- (5) As a result of the compliance tests required in B.4.a. of this Section, establish a representative emission factor for each pollutant in units of lb/1000 gallon of fuel oil combusted. An emission factor (in lb/1000 gallon of fuel) which is representative of CO emissions during startup conditions must also be established. The emission factors must be established annually after each compliance test.

**b. Monitoring and Recordkeeping**

**Naniwa Energy, LLC**, upon the issuance date of this permit and during periods of fuel oil firing will:

- (1) Continuously monitor and record, the fuel oil usage for **S2.001 - S2.006**, each.
- (2) Sample, test and record the sulfur content (in percent by weight) of the fuel oil fed to **S2.001 - S2.006**, using ASTM D4057, on a daily basis.
- (3) Monitor and record, individually, the hours of operation for **S2.001 - S2.006** on a daily basis.
- (4) The required monitoring and recordkeeping established in B.4.b.1. through B.4.b.3. of this Section, will be maintained in a contemporaneous log containing, at a minimum, the following recordkeeping:
  - (i) The calendar date of any required monitoring.
  - (ii) The total daily individual fuel usage in gallons per hour, for the corresponding date for each emission unit.
  - (iii) The total daily hours of operation for the corresponding date for each emission unit.
  - (iv) The corresponding average hourly fuel usage rate in gallon per hour. The average hourly throughput rate will be determined from the total daily throughput rate and the total daily hours of operation recorded in B.4.b.4.ii. and iii. of this Section.



CLASS I AIR QUALITY OPERATING PERMIT

Issued to: NANIWA ENERGY, LLC

**Section VI. Specific Operating Conditions (continued)**

C. Emission Unit #S 2.007-S2.012 location North 4381.785 km, East 283.695 km, UTM (Zone 11)

**System 02 - Distillate Fuel Storage Tank**

S2.007	Liquid Storage Tank #1, kerosene or diesel, 1,386,000 gallons maximum capacity, 70 ft diameter, 48 ft height
S2.008	Liquid Storage Tank #1, kerosene or diesel, 1,386,000 gallons maximum capacity, 70 ft diameter, 48 ft height
S2.009	Liquid Storage Tank #1, kerosene or diesel, 1,386,000 gallons maximum capacity, 70 ft diameter, 48 ft height
S2.010	Liquid Storage Tank #1, kerosene or diesel, 1,386,000 gallons maximum capacity, 70 ft diameter, 48 ft height
S2.011	Liquid Storage Tank #1, kerosene or diesel, 1,386,000 gallons maximum capacity, 70 ft diameter, 48 ft height
S2.012	Liquid Storage Tank #1, kerosene or diesel, 1,386,000 gallons maximum capacity, 70 ft diameter, 48 ft height

1. NAC 445B.316 (445.7114) Part 70 Program

Air Pollution Equipment

Emissions from S2.007 - S2.012 have no add-on emissions controls.

Tank 1 (S2.007)

Inside Diameter (ft): 70

Height (ft): 48

Capacity (gallons): 1,386,000

Maximum throughput per year (gallons): 33,264,000

True Vapor Pressure (psia): 0.0049

Tank 2 (S2.008)

Inside Diameter (ft): 70

Height (ft): 48

Capacity (gallons): 1,386,000

Maximum throughput per year (gallons): 33,264,000

True Vapor Pressure (psia): 0.0049

Tank 3 (S2.009)

Inside Diameter (ft): 70

Height (ft): 48

Capacity (gallons): 1,386,000

Maximum throughput per year (gallons): 33,264,000

True Vapor Pressure (psia): 0.0049

Tank 4 (S2.010)

Inside Diameter (ft): 70

Height (ft): 48

Capacity (gallons): 1,386,000

Maximum throughput per year (gallons): 33,264,000

True Vapor Pressure (psia): 0.0049

Tank 5 (S2.011)

Inside Diameter (ft): 70

Height (ft): 48

Capacity (gallons): 1,386,000

Maximum throughput per year (gallons): 33,264,000

True Vapor Pressure (psia): 0.0049

Tank 6 (S2.012)

Inside Diameter (ft): 70

Height (ft): 48

Capacity (gallons): 1,386,000

Maximum throughput per year (gallons): 33,264,000

True Vapor Pressure (psia): 0.0049



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C. Emission Units #S2.007 - S2.012 (continued)

2. NAC 445B.316 (445.7114) Part 70 Program  
Emission Limits

On and after the date of startup of S2.007 - S2.012, Naniwa Energy, LLC will not discharge or cause the discharge into the atmosphere from S2.007 - S2.012, each, the following pollutants in excess of the following specified limits:

- a. The discharge of volatile organic compounds to the atmosphere will not exceed 0.38 ton per year, each.
- b. The discharge of hexane to the atmosphere will not exceed 0.02 ton per year, each.
- c. The discharge of benzene to the atmosphere will not exceed 0.03 ton per year, each.
- d. The discharge of toluene to the atmosphere will not exceed 0.02 ton per year, each.
- e. The discharge of ethyl benzene to the atmosphere will not exceed 0.01 ton per year, each.
- f. The discharge of xylene to the atmosphere will not exceed 0.002 ton per year, each.
- g. The discharge of cumene to the atmosphere will not exceed 0.01 ton per year, each.
- h. The opacity will not equal or exceed 20 percent in accordance with NAC 445B.354.

3. NAC 445B.316 (445.7114) Part 70 Program  
Operating Parameters

- a. The maximum allowable throughput for S2.007 - S2.012, each, will not exceed 33,264,000 gallons of distillate fuel per 12-month rolling period.
- b. S2.007 - S2.012 will contain distillate fuel only.
- c. Hours  
(1) S2.007 - S2.012, each, may operate a total of 8,760 hours per calendar year.

4. NAC 445B.316 (445.7114) Part 70 Program  
Monitoring, Record keeping and Compliance

a. Monitoring and Recordkeeping

Naniwa Energy, LLC, upon the issuance date of this permit will:

- (1) Monitor and record the throughput rate of distillate fuel for S2.007 - S2.012, each, on a monthly basis.
- (2) Monitor and record the throughput rate of distillate fuel for S2.007 - S2.012, each, on a 12-month rolling period.
- (3) The required monitoring and recordkeeping established in C.4.a.1. through C.4.a.2. above, will be maintained in a contemporaneous log containing, at a minimum, the following recordkeeping:
  - (i) The calendar date of any required monitoring.
  - (ii) The total monthly throughput rate of distillate fuel in gallons, for the corresponding date.
  - (iii) The corresponding distillate fuel throughput rate in gallons per 12-month rolling period. The distillate fuel throughput rate will be determined from the total monthly distillate fuel throughput rate recorded in C.4.a.3.ii. above.

b. New Source Performance Standards (NSPS) - 40 CFR Part 60.116b (a) and (b)  
Naniwa Energy, LLC, upon the issuance date of this permit will:

- (1) Pursuant to 40 CFR, Part 60, Subpart Kb, Section 60.116b (a) and (b), maintain readily accessible records showing the dimensions of the storage vessels S2.007 - S2.012 and an analysis showing the capacities of the storage vessels S2.007 - S2.012. This record shall be kept for the life of the source.

c. New Source Performance Standards (NSPS) - Notification and Recordkeeping (40 CFR Part 60.7(b))  
Naniwa Energy, LLC, upon the issuance date of this permit, shall:

- (1) Maintain records of the occurrence and duration of any startup, shutdown, or malfunction in the operation of an affected facility; any malfunction of the air pollution control equipment; or any periods during which a continuous monitoring system or monitoring device is inoperative.

\*\*\*\*\*End of Specific Operating Conditions\*\*\*\*\*



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**Section VII. Emission Caps**

A. Cap for Emission Units S2.001 - S2.006

1. Emission Limits

On and after the date of startup of S2.001 - S2.006, Naniwa Energy, LLC will not discharge or cause the discharge into the atmosphere, the following pollutants in excess of the following specified limits:

- a. The combined discharge of PM (total particulate matter) to the atmosphere will not exceed 16.66 tons per calendar month, averaged over each 12-month rolling period.
- b. The combined discharge of PM<sub>10</sub> (particulate matter less than 10 microns in diameter) to the atmosphere will not exceed 16.66 tons per calendar month, averaged over each 12-month rolling period.
- c. The combined discharge of NO<sub>x</sub> (oxides of nitrogen) to the atmosphere will not exceed 20.75 tons per calendar month, averaged over each 12-month rolling period.
- d. The combined discharge of SO<sub>2</sub> (sulfur dioxide) to the atmosphere will not exceed 16.66 tons per calendar month, averaged over each 12-month rolling period.
- e. The combined discharge of CO (carbon monoxide) to the atmosphere will not exceed 20.75 tons per calendar month, averaged over each 12-month rolling period.
- f. The combined discharge of VOC (volatile organic compounds) to the atmosphere will not exceed 16.66 tons per calendar month, averaged over each 12-month rolling period.
- g. The emission limits in this paragraph apply at all times, including startups, shutdowns, and normal operations.

2. Monitoring, Recordkeeping, Reporting, and Compliance

- a. Naniwa Energy, LLC will perform monitoring, recordkeeping and reporting as specified in Section VI.A.4. of this operating permit.
- b. In addition to the monitoring and recordkeeping information required under A.2.a. of this Section, Naniwa Energy, LLC will record in a contemporaneous log the monthly emissions (in tons) of each pollutant for which an emission factor is established in accordance with Section VI.A.4.a.(5) and Section VI.B.4.a.(5) of this Operating Permit. Emissions will be determined and recorded as follows:
  - (1) Determine and record for each unit the total monthly (calendar) fuel usage during startup.
  - (2) Determine and record for each unit the total monthly (calendar) emissions of CO due to startup by multiplying the total monthly fuel usage in A.2.b.(1) of this Section by the representative startup emission factor as determined in VI.A.4.a.(5) and VI.B.4.a.(5) of this operating permit.
  - (3) Determine and record for each unit the total monthly (calendar) fuel usage during normal operating conditions.
  - (4) Determine and record for each unit the total monthly emissions (in tons) of each pollutant by multiplying the total monthly fuel usage recorded in A.2.b.(3) of this Section by the average emission factors for each pollutant determined in VI.A.4.a.(5) and VI.B.4.a.(5) of this Operating Permit.
- c. In addition to the monitoring and recordkeeping information required under A.3.a. and b. of the Section, Naniwa Energy, LLC will record in a contemporaneous log the total cumulative 12-month rolling average emissions for each pollutant recorded in A.2.b. of this Section.



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**Section VIII. Surface Area Disturbance Conditions**

Surface area disturbance in excess of 20 acres.

A. State Implementation Plan (SIP) Article 7.3

Naniwa Energy, LLC may not cause or permit the construction, repair, or demolition work, or the use of unpaved or untreated areas without applying all such measures as may be required by the Director to prevent particulate matter from becoming airborne.

1. A plan for the control of particulate matter will be submitted within 60 days of issuance date of this permit.

B. NAC 445B.365

Fugitive Dust

1. Naniwa Energy, LLC may not cause or permit the handling, transporting, or storing of any material in a manner which allows or may allow controllable particulate matter to become airborne.
2. Except as otherwise provided in subsection 4, Naniwa Energy, LLC may not cause or permit the construction, repair, demolition, or use of unpaved or untreated areas without first putting into effect an ongoing program using the best practical methods to prevent particulate matter from becoming airborne. As used in this subsection, "best practical methods" includes, but is not limited to, paving, chemical stabilization, watering, phased construction, and revegetation.
3. Except as provided in subsection 4, Naniwa Energy, LLC may not disturb or cover 5 acres or more of land or its topsoil until Naniwa Energy, LLC has obtained an Operating Permit for surface area disturbance to clear, excavate, or level the land or to deposit any foreign material to fill or cover the land.
4. The provisions of subsections 2 and 3 do not apply to:
  - a. Agricultural activities occurring on agricultural land; or
  - b. Surface disturbances authorized by a permit issued pursuant to NRS 519A.180 which occur on land which is not less than 5 acres or more than 20 acres.

\*\*\*\*\*End of Surface Area Disturbance Conditions\*\*\*\*\*



CLASS I AIR QUALITY OPERATING PERMIT

Issued to: NANIWA ENERGY, LLC

**Section IX. Schedules of Compliance**

A. Chemical Accident Prevention Provisions

**Naniwa Energy, LLC** shall:

1. Submit a compliance schedule for meeting the requirements of 40 CFR Part 68.215 by the date provided in 40 CFR Part 68.10(a) or;
2. Submit as part of the compliance certification submitted under 40 CFR Part 70.6(c)(5), a certification statement that the source is in compliance with all requirements of 40 CFR Part 68.215, including the registration and submission of the risk management plan.

\*\*\*\*\*End of Schedules of Compliance\*\*\*\*\*



CLASS I AIR QUALITY OPERATING PERMIT

Issued to: NANIWA ENERGY, LLC

**Section X. Amendments**

N/A

**This permit:**

1. Is non-transferable. (NAC 445B.287)(445.704) Part 70 Program
2. Will be posted conspicuously at or near the stationary source. (NAC 445B.318)(State Only Requirement)
3. Will expire and be subject to renewal five (5) years after the issuance date of December 5, 2001. (NAC 445B.315)(445.7112) Part 70 Program
4. A completed application for renewal of an operating permit must be submitted to the director on the form provided by him with the appropriate fee at least 180 calendar days before the expiration date of this operating permit. (NAC 445B.323.2)(445.713) Part 70 Program
5. Any party aggrieved by the Department's decision to issue this permit may appeal to the State Environmental Commission (SEC) within ten days after the date of notice of the Department's action. (NRS 445B.340)(State Only Requirement)

**THIS PERMIT EXPIRES ON:** December 5, 2006

Signature Mehrdad Moghimi

Issued by: Mehrdad Moghimi  
Supervisor, Class I Permit  
Bureau of Air Quality

Phone (702) 687-4670 Date 12/05/2001