



STATE OF IDAHO
DEPARTMENT OF
ENVIRONMENTAL QUALITY

2110 Ironwood Parkway • Coeur d'Alene, Idaho 83814-2648 • (208) 769-1422

September 7, 2001

Dirk Kempthorne, Governor
C. Stephen Allred, Director

Mr. Hank Nelson
Environmental Coordinator
Avista Corporation
1411 East Mission Avenue
Spokane, WA 99220

RE: P-000127, Avista Corporation, Rathdrum
(PTC Modification, Increase in Hours of Operation, PTC No. 055-00040)

Dear Mr. Nelson:

The Idaho Department of Environmental Quality (DEQ) is issuing modified Permit to Construct (PTC) Number 055-00040 for Avista Corporation (Avista), in accordance with IDAPA 58.01.01.200 through 223 (*Rules for the Control of Air Pollution in Idaho*). This PTC is effective immediately and is based on your permit application received February 20, 2001.

This permit does not release Avista from compliance with all other applicable federal, state, local, or tribal laws, regulations, or ordinances. Although this PTC is being issued in accordance with IDAPA 58.01.01.209.05(a)j, Avista is not authorized to operate under the new terms of the PTC until Avista's Tier I Operating Permit Number 055-00040 is revised to incorporate the PTC modifications (IDAPA 58.01.01.209.05(a)iii-iv). The modified Tier I Operating Permit is currently undergoing a 45-day U.S. Environmental Protection Agency review and should be issued as soon as this review is completed.

Please pay particular attention to the reporting requirements of the permit. This information is needed to properly track the progress of the permit. Please refer to the appropriate permit number when submitting reports required in the Reporting Requirements section of the permit.

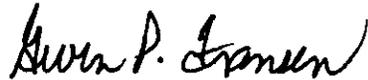
You are strongly encouraged to attend a meeting with DEQ to discuss the permit terms and requirements with which your facility must comply. Mr. Tom Harman of the Coeur d'Alene Regional Office will contact you regarding this meeting. DEQ strongly recommends that your facility's plant manager, responsible official, environmental contact, and any operations staff responsible for day-to-day compliance with permit conditions, also attend the meeting.

You, as well as any other entity, may have the right to appeal this final agency action, pursuant to the Idaho Department of Health and Welfare Rules, Title 5, Chapter 3, "Rules Governing Contested Case Proceedings and Declaratory Rulings," by filing a petition with the Hearings Coordinator, Department of Environmental Quality, 1410 N. Hilton, Boise, ID 38706-1255, within 35 days of the date of this decision. However, DEQ encourages you to contact the Air Quality Permit Program to address any concerns you may have with the enclosed permit, prior to filing a petition for a contested case.

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If you have any questions regarding the terms or conditions of the enclosed permit, please contact Mr. Tom Harman, at (208) 769-1422.

Sincerely,



Gwen P. Fransen
Regional Administrator

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Enclosures

By: **CERTIFIED MAIL #7099 3400 0015 4145 2334**

cc: Faye Weber, Air Quality Division
~~Belinda McFarland, State Office, Technical Services~~
Tom Harman, Coeur d'Alene Regional Office
L. Kral, EPA - Region 10



**Air Pollution
PERMIT TO CONSTRUCT**

State of Idaho
Department of Environmental Quality

PERMIT NO.: 055-00040

AQCR: 062 **CLASS:** A
SIC: 4911 **ZONE:** 11

UTM COORDINATE (km): 510 . 0, 5294 . 3

1. PERMITTEE
Avista Corporation

2. PROJECT
Gas Turbines

3. MAILING ADDRESS East 1411 Mission Avenue	CITY Spokane	STATE WA	ZIP 99220
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4. FACILITY CONTACT Hank Nelson	TITLE Environmental Compliance Coordinator	TELEPHONE (509) 495-4613
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5. RESPONSIBLE OFFICIAL Rob Fukai	TITLE Vice President, External Relations	TELEPHONE (800) 495-2473
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6. EXACT PLANT LOCATION SW ¼ Section 32, Township 25 North – Range 4 West approximately 2 miles SE of Rathdrum	COUNTY Kootenai
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7. GENERAL NATURE OF BUSINESS & KINDS OF PRODUCTS
Electricity Generation

8. GENERAL CONDITIONS
This permit is issued according to the *Rules for the Control of Air Pollution in Idaho*, Section 58.01.01.200, and pertains only to emissions of air contaminants that are regulated by the state of Idaho and to the sources specifically allowed to be constructed by this permit.

This permit (1) does not affect the title of the premises upon which the equipment is to be located; (2) does not release the permittee from any liability for any loss due to damage to person or property caused by, resulting from, or arising out of the design, installation, maintenance, or operation of the proposed equipment; (3) does not release the permittee from compliance with other applicable federal, state, tribal, or local laws, regulations, or ordinances; (4) in no manner implies or suggests that the Idaho Department of Environmental Quality (Department) or its officers, agents, or employees, assumes any liability, directly or indirectly, for any loss due to damage to any person or property caused by, resulting from, or arising out of the design, installation, maintenance, or operation of the proposed equipment.

This permit is not transferable to another person, place, piece, or set of equipment. This permit will expire if construction has not begun within two years of its issue date or if construction is suspended for one year.

This permit has been granted on the basis of design information presented with its application. Changes of design or equipment may require Department approval pursuant to the *Rules for the Control of Air Pollution in Idaho*, IDAPA 58.01.01.200, et.seq.

Gwen P. Fransen

DATE ISSUED: September 7, 2001

**GWEN P. FRANSEN, R. A., Cd'A REGIONAL OFFICE
DEPARTMENT OF ENVIRONMENTAL QUALITY**

AIR QUALITY PERMIT TO CONSTRUCT NUMBER: 055-00040

PERMITTEE: AVISTA CORPORATION
LOCATION: RATHDRUM, IDAHO

DATE ISSUED: SEPTEMBER 7, 2001

SOURCE: General Electric Combustion Turbines #1 and #2

1. EMISSIONS LIMITS

1.1 Nitrogen Oxides

Emissions of nitrogen oxides (NO_x) from each of the turbines shall not exceed 0.010 percent by volume of exhaust gas at 15 percent oxygen and on a dry basis as required by 40 CFR 60.332(a). Emissions of NO_x from the two turbines shall not exceed any applicable emissions rate limits listed in the appendix of this permit.

1.2 Sulfur Dioxide

Emissions of sulfur dioxide (SO₂) from each of the turbines shall not exceed 0.015 percent volume of exhaust gas at 15 percent oxygen and on a dry basis as required by 40 CFR 60.333(a), nor shall any fuel containing sulfur in excess of 0.8 percent by weight be burned as required by 40 CFR 60.333(b). Emissions of SO₂ from the two turbines shall not exceed any applicable emissions rate listed in the appendix of this permit.

1.3 Emissions Limits

Particulate matter, particulate matter with an aerodynamic diameter less than or equal to a nominal ten micrometers, carbon monoxide (CO), and volatile organic compound emissions from the two turbines shall not exceed any corresponding emission rate limits listed in the appendix of this permit.

1.4 Opacity Limit

Emissions from each of the turbines, or any other stack, vent, or functionally equivalent opening associated with the turbines, shall not exceed 20 percent opacity for a period or periods aggregating more than three minutes in any 60-minute period as required by IDAPA 58.01.01.625 (*Rules for the Control of Air Pollution in Idaho*). Opacity shall be determined by the procedures contained in IDAPA 58.01.01.625.

2. OPERATING REQUIREMENTS

2.1 Fuel Restrictions

Each of the turbines shall be exclusively fired by natural gas.

2.2 Hours of Operation Limits

The maximum annual hours of operation of the emissions units shall not exceed 16,848 hours in a calendar year.

3. MONITORING AND RECORDKEEPING REQUIREMENTS

3.1 Continuous Emissions Monitoring

3.1.1 The permittee shall install, calibrate, and operate a continuous emissions monitoring system (CEM) to monitor and record stack gas concentrations and hourly emission rates of CO from each turbine. The CO CEM shall meet all specifications and requirements of the CEM Certification Application, dated December 22, 1999, including procedures outlined in the Quality Assurance Plan, which was submitted by Avista Corporation to United States Environmental Protection Agency Region 10 (EPA) and the Department.

3.1.2 The permittee shall install, calibrate, maintain, and operate a CEM to monitor and record stack gas concentrations and pound per hour emission rates of NO_x from each turbine. The system shall conform to the requirements for NO_x CEM requirements of 40 CFR 75, including measuring the concentration of oxygen.

3.2 Sulfur and Nitrogen Content in Fuel

The permittee shall monitor the sulfur and nitrogen contents in the fuel being fired in each of the turbines as required by 40 CFR 60.334(b).

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DATE ISSUED: SEPTEMBER 7, 2001

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3.3 Hourly Natural Gas Usage

The permittee shall monitor and record the hours of operation and hourly usage of natural gas from each of the turbines.

4. REPORTING REQUIREMENTS

4.1 Continuous Emissions Monitoring Report

The permittee shall report the CEM data as required in Section 3.1 of this permit to the Department and the EPA in a quarterly report to be received no later than 30 days after the end of each calendar quarter.

4.2 Sulfur and Nitrogen Content Report

The permittee shall record and submit the sulfur and nitrogen contents of the fuel being fired as specified in Section 3.2 of this permit and the hourly usage of natural gas as indicated in Section 3.3 of this permit to the Department and the EPA in a quarterly report to be received no later than 30 days after the end of each calendar quarter.

4.3 Hours of Operation Report

The permittee shall compile the hours of operation for each of the turbines in a monthly report to be kept on-site for a two-year minimum period and made available to Department representatives upon request.

4.4 Certification of Documents

All documents submitted to the Department, including, but not limited to, records, monitoring data, supporting information, requests for confidential treatment, testing reports, or compliance certifications, shall contain a certification by a responsible official. The certification shall state that, based on information and belief formed after reasonable inquiry, the statements and information in the document(s) are true, accurate, and complete.

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APPENDIX

APPENDIX

Avista Corporation

Emissions Limits^a - Hourly (lb/hr)^b and Annual^c (T/yr)^d

SOURCE DESCRIPTION	PM ^e		PM ₁₀ ^f		SO ₂ ^g		NO _x ^h		VOC ⁱ		CO ^j	
	lb/hr	T/yr	lb/hr	T/yr	lb/hr	T/yr	lb/hr	T/yr	lb/hr	T/yr	lb/hr	T/yr
TOTAL (Two Turbines Only)	14	59.0	14	59.0	6	19.8	104	235.5	3.6	15.2	106	240

- a. As determined by a pollutant-specific EPA reference method, a Department-approved alternative, or by the Department's emissions estimation methods used in this permit analysis.
- b. Pounds per hour
- c. As determined by multiplying the actual or allowable (if actual is not available) pound per hour emissions rate by the allowable hours per year that the process(es) may operate, or by actual annual production rates.
- d. Tons per year
- e. Particulate matter
- f. Particulate matter with an aerodynamic diameter less than or equal to a nominal ten micrometers
- g. Sulfur dioxide
- h. Nitrogen oxides
- i. Volatile organic compounds
- j. Carbon monoxide

AIR QUALITY PERMIT TO CONSTRUCT NUMBER: 055-00040

PERMITTEE: AVISTA CORPORATION
LOCATION: RATHDRUM, IDAHO

DATE ISSUED: SEPTEMBER 7, 2001

GENERAL PROVISIONS

PERMIT TO CONSTRUCT GENERAL PROVISIONS

- A. All emissions authorized herein shall be consistent with the terms and conditions of this permit and the *Rules for the Control of Air Pollution in Idaho*. The emissions of any pollutant in excess of the limitations specified herein, or noncompliance with any other condition or limitation contained in this permit, shall constitute a violation of this permit, the *Rules for the Control of Air Pollution in Idaho*, and the Environmental Protection and Health Act, Idaho Code 39-101, et seq.
- B. The permittee shall at all times (except as provided in the *Rules for the Control of Air Pollution in Idaho*) maintain in good working order and operate as efficiently as practicable, all treatment or control facilities or systems installed or used to achieve compliance with the terms and conditions of this permit and other applicable Idaho laws for the control of air pollution.
- C. The permittee shall allow the Director, and/or the authorized representative(s), upon the presentation of credentials:
1. To enter at reasonable times upon the premises where an emissions source is located, or in which any records are required to be kept under the terms and conditions of this permit; and
 2. At reasonable times to have access to and copy any records required to be kept under the terms and conditions of this permit, to inspect any monitoring methods required in this permit, and require stack emissions testing in conformance with IDAPA 58.01.01.157 when deemed appropriate by the Director.
- D. Nothing in this permit is intended to relieve or exempt the permittee from compliance with any applicable federal, state, or local law or regulation, except as specifically provided herein.
- E. The permittee shall notify the Department, in writing, of the required information for the following events within five working days after occurrence:
1. Initiation of Construction - Date
 2. Completion/Cessation of Construction - Date
 3. Actual Production Startup - Date
 4. Initial Date of Achieving Maximum Production Rate - Production Rate and Date
- F. If emissions testing is specified, the permittee must schedule such testing within 60 days after achieving the maximum production rate, but not later than 180 days after initial startup. Such testing must **strictly** adhere to the procedures outlined in IDAPA 58.01.01.157 and shall not be conducted on weekends or state holidays without prior written Department approval. Testing procedures and specific time limitations may be modified by the Department by prior negotiation if conditions warrant adjustment. The Department shall be notified at least 15 days prior to the scheduled compliance test. Any records or data generated as a result of such a compliance test shall be made available to the Department upon request.
- The maximum allowable operating rate shall be limited to 120 percent of the average operating rate attained during any performance test period for which a test protocol has been granted prior approval by the Department, unless (1) the test demonstrates noncompliance, (2) a more restrictive operating limit is specified elsewhere in this permit, or (3) at such an operating rate, emissions would exceed any emissions limit(s) set forth in this permit.
- G. The provisions of this permit are severable. If any provision of this permit to any circumstance is held invalid, the application of such provision to other circumstances, and the remainder of this permit, shall not be affected thereby.