

U.S. EPA FACT SHEET

Proposed Rule: Revisions to the Arizona Regional Haze State Implementation Plan

June 30, 2016

Summary of Action:

EPA is proposing to approve a source-specific revision to the Arizona Regional Haze State Implementation Plan (SIP) for Cholla Generating Station (Cholla).

The proposed rule finds that the SIP revision fulfills the requirements of the Clean Air Act (CAA) and EPA's Regional Haze Rule (RHR) for best available retrofit technology (BART) at Cholla. Specifically, the SIP revision requires:

- Permanent shut down of Cholla Unit 2;
- Operation of Cholla Units 3 and 4 with the currently installed low nitrogen oxides (NO_x) burners with separated over-fired air; and
- Cessation of coal burning at Cholla BART Units 1, 3 and 4 by April 30, 2025 with the option to convert to pipeline-quality natural gas by July 31, 2025 with a less than 20 percent annual average capacity factor

Concurrently, EPA is proposing to withdraw portions of the federal implementation plan (FIP) that address BART for Cholla.

Background:

The CAA establishes as a national goal the prevention of any future and the remedying of any existing man-made impairment of visibility in 156 national parks and wilderness areas designated as Class I areas. The RHR requires states to develop and implement plans to ensure progress toward this goal. The states are also required to determine and implement BART for major sources of visibility-impairing pollutants.

Cholla Units 1, 2 and 3 are owned and operated by Arizona Public Service (APS). Cholla Unit 4 is owned by PacifiCorp and operated by APS. Units 2, 3, and 4 are subject to BART. Unit 1 is not subject to BART so is not addressed by this action.

On January 15, 2015, APS and PacifiCorp requested that ADEQ conduct a revised BART analysis and determination for Cholla based on new facts (BART Reassessment) and submit this BART Reassessment to EPA as a revision to the Arizona Regional Haze SIP.

Under the Cholla BART Reassessment, APS and PacifiCorp would commit to shutting down Unit 2 by April 1, 2016 and to cease burning coal at Units 3 and 4 (with the option to convert to

pipeline-quality natural gas) by July 31, 2025. Units 3 and 4 would operate with the currently installed low NO_x burners with separated overfire air until 2025. Implementation of the BART Reassessment would result in reduced emissions of both sulfur dioxide (SO₂) and particulate matter (PM) compared to the existing SIP and FIP requirements beginning in 2016. While the BART Reassessment would require fewer NO_x reductions than the FIP between 2018 and 2025, it will ensure that NO_x emissions remain at or below current levels until 2025, after which it will require a substantial reduction in NO_x emissions compared to both current emissions and to the emissions allowed under the FIP.

On October 22, 2015, ADEQ submitted a revision to the Arizona Regional Haze SIP that incorporated the Cholla BART Reassessment. Today's notice of proposed rulemaking constitutes EPA's proposed action on this submission.

Next Steps:

The Federal Register notice will be published in approximately 2 to 3 weeks. There will be a 45-day public comment period on this action.

More Information: <https://www3.epa.gov/region9/air/az/haze/index.html>
