May 5, 2025

By E-mail

Lori McNabb
Regional Air Quality Program Manager
Department of Environmental Protection
Northwest Region
230 Chestnut Street
Meadville, PA 16335

Re: Homer City Generation LP, No. 32-00055
55 Pa.B. 2598 (April 5, 2025)

Dear Lori McNabb:

Sierra Club and Earthjustice hereby submit these comments regarding the notice in the Pennsylvania Bulletin, 55 Pa.B. 2598, regarding emission reduction credits for Homer City Generation LP. Because DEP's notice contains a fundamental error regarding the calculation of these credits, it must be withdrawn and re-published for further public comment.

As DEP observes, 25 Pa. Code § 127.207 directs that "the baseline used to calculate a creditable emissions decrease or ERC" will be established based on "the average actual emission or allowable emissions, *whichever is lower* . . ." 25 Pa. Code § 127.207(4) (emphasis added). Indeed, the provision is clear that the baseline emission rate "will not exceed the allowable emissions rate *including RACT requirements in force at the time the ERC registry application is submitted*." *Id.* § 127.207(4)(iii) (emphasis added).

In August of 2022, EPA issued a Federal Implementation Plan, or FIP, setting Reasonably Available Control Technology, or RACT, limits for NOx emissions from multiple facilities, including Homer City. *See* 40 C.F.R. § 52.2065.[1] This FIP set both a 30-day rolling average NOx emission limit for Homer City and a daily backstop NOx emission limit:

- 0.096 lb NOx/MMbtu facilitywide on a 30-day rolling average; and

[1] *See also* U.S. EPA, Federal Implementation Plan Addressing Reasonably Available Control Technology Requirements for Certain Sources in Pennsylvania, 87 Fed. Reg. 53,381, 53,403 (Aug. 31, 2022).

- Daily NOx mass emission limits of 15,649 lbs, 15,649 lbs, and 16,727 lbs, for Homer City Units 1, 2, and 3, respectively.

See 40 C.F.R. § 52.2065(f)(1)-(2), tbls. 1 and 2. The daily NOx emission limit is based on the 30-day limit: EPA took the 30-day limit and "multiplied [it] by each units maximum permitted heat input (in MMBtu/hr) by 24 hours." 87 Fed. Reg. at 53,401. Accordingly, the daily limit presumes full-bore operation of the unit whether or not that unit operated at that level on any given day.

DEP calculated its proposed Homer City ERC based on "[t]he years of 2021 and 2022" as "representative of normal emission rates from the facility." DEP, Review of Emission Reduction Credit Application 32099955, (hereinafter "Memo") at 3. DEP also acknowledged that the RACT FIP limits applied. *Id.* (a "Federal Implementation Plan . . . was issued by the U.S. EPA for the Homer City Station . . . as part of RACT"). However, DEP only employed *one* of the two applicable RACT requirements in its analysis: "Any day's emission value, which would have exceeded *the FIP's daily NOx emission rate restriction*, was replaced with the maximum allowable *daily NOx emission rate* of the FIP." Memo at 4 (emphasis added).[2] DEP thus appears to have summed the adjusted daily NOx emissions from Homer City's three units for 2021 and 2022, took the average of the two years' totals, and arrived at a NOx ERC of 2,436.3 tpy. Memo at 4, tbl. 1. But this approach completely and improperly ignores the wider restrictions of the 30-day emission limit.

Properly including the 30-day RACT limit, as § 127.207 requires, would yield a much lower ERC for NOx emissions. Taking the actual heat inputs in MMBtu for the three Homer City units for 2021 and 2022, the 0.096 lb/MMBtu rate can be multiplied by those heat inputs to yield the "allowable" tons of NOx:

Table 1: Homer City NOx Emissions Analysis[3]

Facility Name	Unit ID	Year	NOx Mass (short tons)	Heat Input (mmBtu)	Three Unit Total Nox (Tons)	Calculated Tons NOx at RACT rate of 0.096 lb/Mmbtu	Calculated Three Unit Total NOx (Tons)
Homer City	1	2021	1467.541	14438054.9		693.0	
Homer City	2	2021	734.517	13305104.8	*2021*	638.6	*2021*
Homer City	3	2021	942.156	19616952.4	3144.2	941.6	2273.3
Homer City	1	2022	994.78	12053955.8		578.6	
Homer City	2	2022	398.258	3582890.07	*2022*	172.0	*2022*
Homer City	3	2022	1078.767	21725875.9	2471.8	1042.8	1793.4

[2] The 30-day average NOx emission rate is not mentioned in the Memo at all, in fact.

[3] *See* Homer City 2021-2022 NOx Emissions worksheet, attached hereto as Exhibit 1. Data taken from US EPA, Clean Air Markets Program Data, Custom Data Download *available at* https://campd.epa.gov/data/custom-data-download.

As Table 1 makes clear, the "allowable" NOx emissions for Homer City would have been 2,273.3 tons for 2021, and 1,793.4 tons for 2022, or an average of ((2,273.3 + 1,793.4)/2) = 2033.3 tons.[4] This is significantly less—nearly 17% less—than the 2,436.3 tpy NOx ERC that DEP calculates when it ignores the 0.096 lb/MMbtu NOx emission rate. In fact, the proposed NOx ERC that DEP calculates demonstrably fails to comply with § 127.207: DEP's ERC would, if divided by the actual 2021 and 2022 heat input of the Homer City units, yield an emission rate of roughly 0.115 lb NOx/MMBtu—a rate much higher than the RACT limit of 0.096 lb NOx/MMbtu.

DEP's approach accordingly does not comply with § 127.207's requirement that DEP use the "average actual emissions or allowable emissions, *whichever is lower,*" (emphasis added), and thus DEP must recalculate any NOx ERC proposed to be granted to Homer City to, as required, at a minimum, include both of the RACT limits applicable to Homer City. *See* 40 C.F.R. § 52.2065(f)(1)-(2), tbls. 1 and 2.

Thank you for considering these comments.

Sincerely,

Zachary M. Fabish
Sierra Club
50 F Street, NW – 8th Floor
Washington, DC 20001
(650) 388-8466
zachary.fabish@sierraclub.org

Charles McPhedran
Earthjustice
1617 John F. Kennedy Blvd., Suite 2020
Philadelphia, PA 19103
(215) 717-4521
cmcphedran@earthjustice.org

Copy: Matthew Williams, DEP

[4] Even this is too lenient, though, as the RACT limit is a *30-day limit*; for ease of demonstration, the above analysis applies it as an annual limit. Applying it on a rolling 30-day average as per the actual RACT regulation would yield NOx tonnages as low or lower than those presented here.