

AIR 4YB0017V /CO

Trina Grieco

From: Riley, John [REDACTED]
Sent: Friday, December 21, 2012 12:35 PM
To: Trina Grieco
Subject: RE: Luminant Generation Company LLC, Graham Steam Electric Station, self audit commenced May 11, 2012
Attachments: Luminant Disclosure to TCEQ 12 21 2012.pdf

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FEB 01 2013

**TCEQ
CENTRAL FILE ROOM**

Trina,

Attached is a copy of letter that we sent via mail/RRR to the TCEQ requesting that the Graham audit be closed. As you'll see the corrective action was completed in October as originally proposed.

Happy Holidays,
John

From: Trina Grieco [<mailto:Trina.Grieco@tceq.texas.gov>]
Sent: Wednesday, December 19, 2012 11:29 AM
To: Riley, John
Subject: RE: Luminant Generation Company LLC, Graham Steam Electric Station, self audit commenced May 11, 2012

Okay John, no hurry – thank you for letting me know.

From: Riley, John [[mailto:\[REDACTED\]](mailto:[REDACTED])]
Sent: Wednesday, December 19, 2012 11:28 AM
To: Trina Grieco
Subject: RE: Luminant Generation Company LLC, Graham Steam Electric Station, self audit commenced May 11, 2012

Trina,

Thanks for your message. I am checking with the client and will let you know asap.

Regards,
John

From: Trina Grieco [<mailto:Trina.Grieco@tceq.texas.gov>]
Sent: Wednesday, December 19, 2012 11:17 AM
To: Riley, John
Subject: Luminant Generation Company LLC, Graham Steam Electric Station, self audit commenced May 11, 2012

Hello John,

I was reviewing the disclosure dated October 24, 2012 (attached) and was wondering if you planned to submit a final disclosure confirming that the deviation report was submitted? Or if you wanted me to close the audit based on the attached disclosure? If the latter is the case, could you please confirm that the deviation report was submitted on October 26, 2012?

Thanks for getting back to me on this, and I'll proceed with this audit as you advise me to.

Trina

Trina Grieco, Enforcement Coordinator | TCEQ
14250 Judson Road | San Antonio, Texas 78233-4480
✉: trina.grieco@tceq.texas.gov
☎: (210) 403-4006 | 📠: (210) 403-4069

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REGION

2013 JAN 11 AM 10:42

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Texas
New York
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Connecticut
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Dubai
London

John A. Riley
Partner

512.542.2108 Office
800.404.3970 Fax

Bracewell & Giuliani LLP
111 Congress Avenue
Suite 2300
Austin, Texas
78701-4061

December 21, 2012

Via Certified Mail Return Receipt Requested
Certified Receipt 7007 0220 0004 2199 4333

Mr. Ramiro Garcia, Jr.
Deputy Director
Office of Compliance and Enforcement
Texas Commission on Environmental Quality
P.O. Box 13087, MC 172
Austin, TX 78711-3087

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DEC 27 2012

COMPLIANCE & ENFORCEMENT

Re: Notification of Audit Commencing May 11, 2012
Texas Environmental, Health, and Safety Audit Privilege Act
Luminant Generation Company LLC,
Graham Steam Electric Station, Young County, Texas
CN603256413; RN102563426; Investigation No. 1014079

Dear Mr. Garcia:

Please be advised that in accordance with the Texas Environmental, Health, and Safety Audit Privilege Act ("Audit Act"), Luminant Generation Company LLC ("Luminant") conducted an environmental, health, and safety compliance audit at its Graham Steam Electric Station located on U.S. Hwy. 380, two miles North of the City of Graham, Young County, Texas. Luminant gave notice of this audit to the TCEQ by letter dated May 10, 2012.

Pursuant to Section 10(g) of the Audit Act, which provides immunity for violations voluntarily disclosed as a result of a compliance audit, by letter dated October 24, 2012, Luminant disclosed certain items of non-compliance detailed in the attached table and proposed corrective actions. As indicated in the attached table, those corrective actions have been completed and, consequently, Luminant respectfully requests that this audit be closed.

Please do not hesitate to contact me if you have any questions or require further information regarding this matter.

Sincerely,

John A. Riley

Mr. Ramiro Garcia, Jr.

December 21, 2012

Page 2

c: Ms. Trina Grieco
Enforcement Coordinator
Texas Commission on Environmental Quality
14250 Judson Road
San Antonio, Texas 78233-4480

Ms. Suzanne Walrath
Enforcement Coordinator
Office of Compliance and Enforcement
Texas Commission on Environmental Quality
P.O. Box 13087, MC 169
Austin, TX 78711-3087

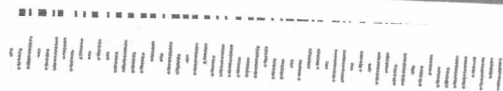
Ms. Winona Henry
Regional Director
TCEQ Region 3
1977 Industrial Blvd.
Abilene TX 79602-7833

Ms. Anna Treadwell
Attorney
Litigation Division
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, TX 78711-3087

DISCLOSURE OF VIOLATIONS

Luminant Generation Company LLC (CN603256413)
Graham Steam Electric Station (RN102563426)

Violation	Emission Point Number	Citation	Violation Start Date	Violation End Date	Corrective Action Plan	Schedule or Target Completion Date
Failed to perform visible emissions observations on the Unit 1 Generator Bearing Drain Vapor Extractor Vent	GR-GBDVEV1	30 TAC §111.111(a)(1)(A)	1/1/2007	6/30/2012	1. Add vent to list of required quarterly readings and conduct visible emission observations each quarter in which the source is operated. 2. Identify violation in the next deviation report.	1. Complete. 2. Complete. Deviation Report submitted on 10/25/2012.
Failed to report missing visible emission observations for the Unit 1 Generator Bearing Drain Vapor Extractor Vent in a deviation report	GR-GBDVEV1	30 TAC §122.145(2)	4/1/2007	4/30/2012	1. Identify violation in the next deviation report.	Complete. Deviation Report submitted on 10/25/2012.



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111 Congress Avenue
Suite 2300
Austin, Texas 78701-4061

Mr. Ramiro Garcia, Jr.
Deputy Director-Compliance
TCEQ
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Austin, TX 78711-3087

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Texas
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Seattle
Dubai
London

AIR / YB 0012 V / CO
John A. Riley
Partner

512.542.2108 Office
800.404.3970 Fax

Bracewell & Giuliani LLP
111 Congress Avenue
Suite 2300
Austin, Texas
78701-4061

October 24, 2012

*Via Certified Mail Return Receipt Requested
Certified Receipt 7007 0220 0004 2199 4036*

Mr. Ramiro Garcia, Jr.
Deputy Director
Office of Compliance and Enforcement
Texas Commission on Environmental Quality
P.O. Box 13087, MC 172
Austin, TX 78711-3087

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OCT 25 2012

COMPLIANCE & ENFORCEMENT

Re: Notification of Audit Commencing May 11, 2012
Texas Environmental, Health, and Safety Audit Privilege Act
Luminant Generation Company LLC
Graham Steam Electric Station, Young County, Texas
CN603256413; RN102563426; Investigation No. 1014079

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OCT 26 2012

ENFORCEMENT DIVISION

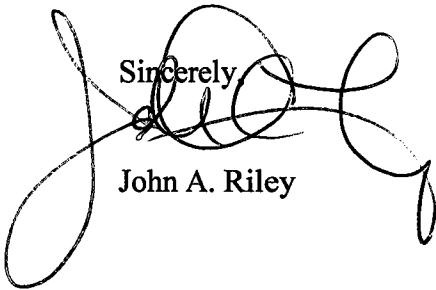
Dear Mr. Garcia:

Please be advised that in accordance with the Texas Environmental, Health, and Safety Audit Privilege Act ("Audit Act"), Luminant Generation Company LLC ("Luminant") conducted an environmental, health, and safety compliance audit at its Graham Steam Electric Station located on U.S. Hwy. 380, two miles North of the City of Graham, Young County, Texas. Luminant gave notice of this audit to the TCEQ by letter dated May 10, 2012.

Pursuant to Section 10(g) of the Audit Act, which provides immunity for violations voluntarily disclosed as a result of a compliance audit, Luminant is hereby disclosing items of non-compliance detailed in the attached table and its proposed corrective actions, along with a schedule for correction of the disclosed items. Luminant will provide updates to the TCEQ to identify when the corrective actions are completed.

Please do not hesitate to contact me if you have any questions or require further information regarding this matter.

Sincerely,


John A. Riley

BRACEWELL
& GIULIANI

c: Ms. Suzanne Walrath
Enforcement Coordinator
Office of Compliance and Enforcement
Texas Commission on Environmental Quality
P.O. Box 13087, MC 169
Austin, TX 78711-3087

Ms. Winona Henry
Regional Director
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Ms. Anna Treadwell
Attorney
Litigation Division
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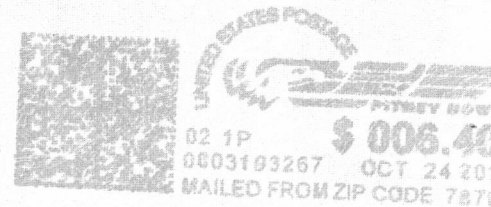
DISCLOSURE OF VIOLATIONS

Luminant Generation Company LLC (CN603256413)
Graham Steam Electric Station (RN102563426)

Violation	Emission Point Number	Citation	Violation Start Date	Violation End Date	Corrective Action Plan	Schedule or Target Completion Date
Failed to perform visible emissions observations on the Unit 1 Generator Bearing Drain Vapor Extractor Vent	GR-GBDVEV1	30 TAC §111.111(a)(1)(A)	1/1/2007	6/30/2012	1. Add vent to list of required quarterly readings and conduct visible emission observations each quarter in which the source is operated. 2. Identify violation in the next deviation report.	1. Complete. 2. Deviation Report to be submitted on 10/26/2012.
Failed to report missing visible emission observations for the Unit 1 Generator Bearing Drain Vapor Extractor Vent in a deviation report	GR-GBDVEV1	30 TAC §122.145(2)	4/1/2007	4/30/2012	1. Identify violation in the next deviation report.	To be submitted on 10/26/2012.



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Mr. Ramiro Garcia, Jr.
Deputy Director-Compliance
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AIR/YB0017V/CO
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Partner

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78701-4061

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COMPLIANCE & ENFORCEMENT

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ENFORCEMENT DIV

May 10, 2012

Via Facsimile No. (512) 239-4390 and First Class Mail

Mr. Ramiro Garcia, Jr.
Deputy Director
Office of Compliance and Enforcement
Texas Commission on Environmental Quality
P.O. Box 13087, MC 172
Austin, TX 78711-3087

Re: Luminant Generation Company LLC (CN603256413)
Graham Steam Electric Station (RN102563426)

Scheduled Environmental, Health, and Safety Audit

Dear Mr. Garcia:

Please be advised that in accordance with the Texas Environmental, Health, and Safety Audit Privilege Act ("Audit Act"), Luminant Generation Company LLC ("Luminant") intends to conduct an environmental, health, and safety compliance audit at its Graham Steam Electric Station located on U.S. Hwy. 380, two miles North of the City of Graham, Young County, Graham, Texas.

Pursuant to Section 10(g) of the Audit Act, which provides immunity for violations voluntarily disclosed as a result of a compliance audit, Luminant is hereby notifying you that the planned audit will commence on May 11, 2012, at approximately 8:00 a.m. The scope of the audit will be to evaluate compliance with applicable environmental, health, and safety regulations and permit provisions. Pursuant to Section 4(e) of the Audit Act, the audit will be completed no later than six months after the date of its commencement, unless, pursuant to a written request for extension, we receive your written approval of an extension before the end of the six-month period.

Please do not hesitate to contact me if you have any questions or require further information regarding this matter.

Very truly yours,

Bracewell & Giuliani LLP

John A. Riley

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& GIULIANI

May 10, 2012

Page 2

cc: Ms. Winona Henry
Regional Director
TCEQ Region 3
1977 Industrial Blvd.
Abilene TX 79602-7833

JAR/ss

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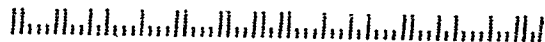
Mr. Ramiro Garcia, Jr.
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Austin, TX 78711-3087

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AIR CO/YB0000/RN102563426/CO

Texas Commission on Environmental Quality
Investigation Report
Luminant Generation Company LLC
CN603256413

GRAHAM STEAM ELECTRIC STATION

RN102563426

Investigation # 1003078

Investigator: CHARLES SMITH

Incident #

Site Classification

MAJOR SOURCE

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NOV 01 2012

Conducted: 05/08/2012 – 05/14/2012

SIC Code: 4911

NAIC Code: 221112

NAIC Code: 221119

TCEQ
CENTRAL FILE ROOM

Program(s): AIR OPERATING PERMITS
AIR NEW SOURCE
PERMITS

Investigation Type : Compliance Invest File Review

Location : Highway 380, 2 miles NW of,
Graham, TX

Additional ID(s) : YB0017V
48
45434
4850300001

Address: ; ,

Activity Type : REGION 03 - ABILENE
OPCC - AIR OPCC - OFFICE PERMIT
COMPLIANCE CERTIFICATION

Principal(s) :

Role	Name
RESPONDENT	LUMINANT GENERATION COMPANY LLC

Contact(s) :

Role	Title	Name	Phone
Regulated Entity Contact	AIR COMPLIANCE COORDINATOR	MR DAVID LAMB	Fax (214) 875-8333
			Work (214) 875-8349

Other Staff Member(s) :

Role	Name
Supervisor	MICHAEL TAYLOR

Associated Check List

<u>Checklist Name</u>	<u>Unit Name</u>
AIR ANNUAL COMPLIANCE CERTIFICATION REVIEW - OPCC	Steam Electric Plant
AIR GENERIC INVESTIGATION (10 ITEMS)	Steam Electric Plant

Investigation Comments :

INTRODUCTION / INVESTIGATION

Introduction

During May 8-14, 2012, Mr. Charles Smith, Air Quality Investigator, Texas Commission on Environmental Quality (TCEQ) Abilene Region Air Section, conducted an Office Permit

Compliance Certification (OPCC) investigation of Luminant Generation Co., LLC (Luminant), Graham Steam Electric Station (GSES), which is located in Young County; additional Air Account No. YB-0017-V. The investigation included a file review compliance assessment of the facility's current operations with all applicable Federal and State air quality rules and regulations. GSES originally received authority to operate under Title V Site Operating Permit (SOP) No. O-0048 issued to the TXU Electric Co., on May 29, 1998. On November 8, 2007, TXU Generation Company, LP was changed to Luminant Generation Co., LLC.

Daily Narrative / Investigation Summary

State Rules

According to the TCEQ Industrial Emissions Assessment Section, the company is current on all fees and payments. Review of records indicated no emissions events during the reporting period.

Review of records indicated that the company submits an annual Emissions Banking & Trading of Allowances Report as required by 30 TAC 101.336 & 116.914. On August 11, 2011, the Abilene Regional Office received the Annual Emissions Report (dated August 5, 2011) for the period May 1, 2010, through April 30, 2011. The documentation stated that there were no excess emissions of oxides of nitrogen (NOx) or sulfur dioxide (SO2) during the reporting period.

Federal Rules

According to the March 15, 2010, Title V renewal application the site is now subject to certain New Source Performance Standards (NSPS) and National Emission Standards for Hazardous Air Pollutants (NESHAP) or Maximum Achievable Control Technology (MACT) Standards. The two emergency diesel generators (ID No. GR-ESD1 and GR-ESD2) are subject to one of the two standards. Generator GR-ESD1 is subject to MACT Standard 40 CFR 63, Subpart ZZZZ - Reciprocating Internal Combustion Engines and only requires yearly maintenance. There are no reporting or initial notification requirements for the standard. Generator GR-ESD2 is subject to NSPS Standard 40 CFR 60, Subpart IIII - Stationary Compression Ignition Internal Combustion Engines. As an emergency use engine, there are no notifications or reporting requirements for compliance with the subpart. The engine requires the installation of an hour meter and records of operating time for both maintenance and emergency use.

State Preconstruction Authorizations

Records reviewed indicated that steam generating Units Nos. 1 & 2 were permitted under Electric Generating Facility Permit No. 45434, issued on September 6, 2002. In addition, several minor emission sources at the site operate under the provisions of Standard Exemptions (SEs) and Permits by Rule (PBRs). (See preconstruction authorizations located in the Region compliance file).

Luminant submitted a permit renewal application for Permit No. 45434, dated March 6, 2012, to the TCEQ Air Permit Division (APD). On March 15, 2012, the APD declared the application to be complete; however the permit approval is pending as of the date of this investigation.

Federal Authorizations

Review of the Title V Permit File indicated that SOP No. O-0048 was originally issued for the Graham Steam Electric Station on May 29, 1998. The Permit was renewed on September 16, 2005.

On March 15, 2010, Luminant Generation Co., LLC submitted a Renewal and Minor Revision Application for SOP No. O-0048. The application is for the renewal of the SOP and the associated Acid Rain permit. In summary, the minor revisions include the addition of an emergency engine, removal of off-permit storage tanks, the addition of storage tanks, an increase in periodic monitoring frequency, and the addition of Permit by Rule (PBR) authorizations. (Refer to region files for a complete list of requested revisions). The Permit was renewed on May 12, 2011.

The company submitted an application, dated May 31, 2007, for the Clean Air Interstate Rule (CAIR) for certain minor revisions to SOP No. O-0048. However, on July 11, 2008, the D.C. Circuit Court vacated the EPA's CAIR.

Review of the Region Title V Permit files indicated that an Acid Rain Permit is included as an attachment to SOP No. O-0048. As a term and condition of the Permit, the company is required to install NOx emission monitors on Units Nos. 1 & 2. A Relative Accuracy Test Audit (RATA) is required to be performed annually on the monitors, since results are less than or equal to 7.5%. The results of the test performed on July 6-14, 2011, for Unit No. 1, was 2.36% and the results of the test performed on May 12, 2011, for Unit No. 2, was 6.99%. (See RATA results located in Region files). The next annual RATA for Unit No. 1, is scheduled for conducted on May 29, 2012, and the RATA for Unit No. 2, is May 31, 2012.

On April 30, 2012, the Abilene Region Office received documentation (post marked April 27, 2012) from Luminant Generation Co., LLC that included an Annual Permit Compliance Certification (Form PCC Part 1) for the period April 1, 2011, through March 31, 2012, and a Certification by Responsible Official (Form OP-CRO1) signed by the DAR, Mr. Shawn Glacken, Senior Vice President. This documentation indicated that the company was in compliance with the terms and conditions of the SOP for the respective period. In addition, a copy of the documentation was submitted to the EPA Region VI in Dallas, Texas. (See Compliance Certification in Region files).

Exit Interview

N/A

GENERAL FACILITY AND PROCESS INFORMATION

The Graham Steam Electric Station is located in Young County, approximately 2 miles northwest of Graham, Texas along State Highway 380. The area surrounding the plant consists of gently sloping terrain used as range land. (See the Site Location Map, located in the Region Compliance File).

The Graham Steam Electric Station is an electric power generating plant that uses two steam generating units to produce power. Unit No. 1 (GR-B1) is a 248 megawatt (MW) unit that commenced operation in December 1960. Unit No. 2 (GR-B2) is a 387 MW unit that commenced operation in June 1969. Both units are designated to operate using natural gas fired boilers, with fuel oil as a backup supply. These boilers produce steam that is used to power turbines, which produces electricity. Currently, the plant is used as a seasonal peaking station and operates approximately 1000 to 3000 hours annually.

The Graham Steam Electric Station is designated as a "Major" source of emissions for NOx, SO2, carbon monoxide (CO), and particulate matter less than ten microns (PM10), and hazardous air pollutants (HAPs). The primary sources of emissions at the site consist of two boilers and storage tanks. (See the Process Description, Plot Plan, and Process Flow Diagram located in the Region Title V Permit File).

BACKGROUND

Compliance History

TCEQ Compliance History was reviewed for this investigation.

Customer Compliance Classification: Average

Customer Compliance Rating: 1.16

Regulated Entity Compliance Classification: High

Regulated Compliance Rating: 0.09

Current Compliance / Enforcement Actions

There were no violations identified as a result of this investigation.

Agreed / Court Orders and Other Compliance Agreements

There are no outstanding orders issued against this facility in the last five years.

Prior Compliance / Enforcement Issues

There were no prior compliance or enforcement issues noted in the Region files within the last five years.

Complaints

File review indicates that there have been no complaints filed against this facility in the last five years.

ADDITIONAL INFORMATION

Conclusions and Recommendations

The OPCC investigation of the Luminant Generation Co., LLC, Graham Steam Electric Station was completed on May 14, 2012. Based on the file review investigation, the company is in compliance with applicable Federal and State air quality rules and regulations. No violations were identified during the course of this investigation.

Additional Issues

There were no additional issues identified during the investigation.

No Violations Associated to this Investigation

Signed

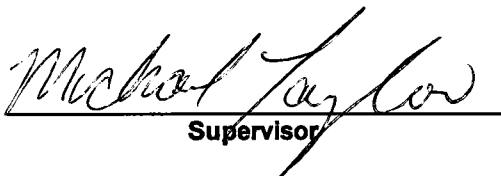


Environmental Investigator

Date

6-13-12

Signed



Supervisor

Date

6/13/12

Attachments: (in order of final report submittal)

___ Enforcement Action Request (EAR)

___ Letter to Facility (specify type) : _____

___ Investigation Report

___ Sample Analysis Results

___ Manifests

___ NOR

___ Maps, Plans, Sketches

___ Photographs

___ Correspondence from the facility

___ Other (specify) :

Texas Commission on Environmental Quality

Investigation Report

Luminant Generation Company LLC
CN603256413

GRAHAM STEAM ELECTRIC STATION

RN102563426

Investigation # 915560

Incident #

Investigator: LANCE DUNLOP

Site Classification

MAJOR SOURCE

Conducted: 05/25/2011 – 05/25/2011

SIC Code: 4911

NAIC Code: 221112

NAIC Code: 221119

Program(s): AIR OPERATING PERMITS
AIR NEW SOURCE
PERMITS

Investigation Type : Compliance Investigation

Location : Highway 380, 2 miles NW of,
Graham, TX

Additional ID(s) : YB0017V
48
45434

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JUL 26 2011

Address: ; ,

Activity Type : REGION 03 - ABILENE

SPCI - AIR SPCI - TITLE V SITE PARTIAL
COMPLIANCE INV-EPA PCE

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SFCI - AIR SFCI - TITLE V SITE FULL COMPLIANCE
INV-EPA FCE

Principal(s) :

Role

Name

RESPONDENT

LUMINANT GENERATION COMPANY LLC

Contact(s) :

Role

Title

Name

Phone

Participated in Investigation

ENVIRONMENTAL
MANAGERMR DARWIN
LOVELESS

Work (940) 957-3579

Participated in Investigation

ENVIRONMENTAL
SPECIALIST

MR IVAN RODRIGUEZ

Work (214) 875-8343

Fax (214) 875-8333

Regulated Entity Contact

AIR COMPLIANCE
COORDINATOR

MR DAVID LAMB

Fax (214) 812-5695

Work (214) 875-8349

Other Staff Member(s) :

Role

Name

Supervisor

MICHAEL TAYLOR

Associated Check List

Checklist NameUnit Name

AIR ANNUAL COMPLIANCE CERTIFICATION REVIEW
- SPCI

Graham Steam Electric

AIR GENERIC INVESTIGATION (10 ITEMS)

Graham Steam Electric

Investigation Comments :

INTRODUCTION / INVESTIGATION

Introduction

On May 16, 2011, Mr. Lance Dunlop, Texas Commission on Environmental Quality (TCEQ) contacted Mr. David Lamb, Air Compliance Manager of Luminant Generation Co., LLC, Graham Steam Electric Station, TCEQ Account No. YB-0017-V, located in Young County, to establish a date to conduct an onsite Comprehensive Compliance Air Investigation (SPCI). The SPCI investigation was scheduled to begin on May 25, 2011. Graham originally received authority to operate under Title V Site Operating Permit (SOP) No. O-0048 issued to the TXU Electric Co., on May 29, 1998. On November 8, 2007, TXU Generation Company, LP was changed to Luminant Generation Co., LLC.

Daily Narrative / Investigation Summary

An area survey was conducted on May 25, 2011, at 9:30 a.m., to determine if there were any significant odors, dust, or visible emissions emanating from the facility. The wind was from the west at 5-10 mph, skies were clear and the temperature was 70-75 deg F. The terrain was flat. There were no visible emissions emanating from the facility. The surrounding land use is agricultural.

On May 25, 2011, the SPCI Investigation was initiated at the Graham Steam Electric Station. The following persons participated in the investigation:

Mr. Darwin Loveless, Environmental Manager, Graham
Mr. Ivan Rodriguez, Environmental Specialist, Luminant
Mr. Lance Dunlop, Environmental Investigator, TCEQ

The scope and purpose of the investigation were explained to the company representatives. The purpose of the SPCI investigation was to ensure compliance with state and federal regulations involved in the operation of the facility. An onsite tour was conducted identifying all permitted equipment.

State Rules

According to the TCEQ Industrial Emissions Assessment Section, the company is current on all fees and payments.

Review of records indicated that the company submits an annual Emissions Banking & Trading of Allowances Report as required by 30 TAC 101.336 & 116.914. On July 6, 2010, the Regional Office received the Annual Excess Emissions Report (annual Emissions Banking and Trading Allowances Report) for oxides of nitrogen (NOx) and sulfur dioxides (SO2) allowances for the period May 1, 2009, through April 30, 2010. The documentation stated that there were no excess emissions of NOx or SO2 during the reporting period.

Review of records indicated no emissions events during the reporting period. Visible emission logs were also reviewed to ensure visible emission observations were accomplished on a quarterly basis. The documentation was provided and the logs were complete and showed the observations were conducted on a regular basis. The Visible emissions evaluator certification was current and completed on February 23, 2011.

Federal Rules

According to the March 15, 2010, Title V renewal application the site is now subject to certain New Source Performance Standards (NSPS) and National Emission Standards for Hazardous Air Pollutants (NESHAP) or Maximum Achievable Control Technology (MACT) Standards. The two emergency diesel generators are subject to one of the two standards. (ID No. GR-ESD1 and

GR-ESD2) Mr. Rodriguez stated that Generator GR-ESD1 is subject to MACT Standard 40 CFR 63, Subpart ZZZZ - Reciprocal Internal Combustion Engines and only requires yearly maintenance. There are no reporting requirements for the standard. Maintenance records showed the maintenance actions were accomplished in April 2011. Generator GR-ESD2 is subject to NSPS Standard 40 CFR 60, Subpart IIII - Stationary Compression Ignition Internal Combustion Engines. As an emergency use engine, there are no notifications or reporting requirements for compliance with the subpart. The engine requires the installation of an hour meter and records of operating time for both maintenance and emergency use. The records were reviewed and documented compliance with the rules.

State Preconstruction Authorizations

Records reviewed indicated that steam generating Units Nos. 1 & 2 were permitted under Electric Generating Facility Permit No. 45434, issued on September 6, 2002. In addition, several minor emission sources at the site operate under the provisions of Standard Exemptions (SEs) and Permits by Rule (PBRs). (See preconstruction authorizations located in the Region compliance file). Records reviewed demonstrated compliance with the provisions of Permit No. 45434, along with the SEs and PBRs.

Federal Authorizations

Review of the Title V Permit File indicated that SOP No. O-0048 was originally issued for the Graham Steam Electric Station on May 29, 1998. The Permit was renewed on September 16, 2005.

The company submitted an application, dated May 31, 2007, for the Clean Air Interstate Rule (CAIR) for certain minor revisions to SOP No. O-0048. However, on July 11, 2008, the D.C. Circuit Court vacated the EPA's CAIR.

Review of the Region Title V Permit files indicated that an Acid Rain Permit is included as an attachment to SOP No. O-0048. As a term and condition of the Permit, the company is required to install NOx emission monitors on Units Nos. 1 & 2. A Relative Accuracy Test Audit (RATA) is required to be performed on the monitors annually, since results are less than or equal to 7.5%. The results of the test performed for Unit No. 1 on May 6, 2010, was 2.16% and the results of the test performed for Unit No. 2 on May 4, 2010, was 5.49%. (See RATA results located in Region files). The RATA for Unit No. 1 was conducted on May 9, 2011 and the RATA for Unit No. 2 is May 12, 2011. The results of the testing are currently pending.

On March 15, 2010, Luminant Generation Co., LLC submitted a Renewal and Minor Revision Application for SOP No. O-0048. The application is for the renewal of the SOP and the associated Acid Rain permit. In summary, the minor revisions include the addition of an emergency engine, removal of off-permit storage tanks, the addition of storage tanks, an increase in periodic monitoring frequency, and the addition of Permit by Rule (PBR) authorizations. (Refer to region files for a complete list of requested revisions). The Permit was renewed on May 12, 2011.

On May 1, 2011, the Abilene Region Office received documentation (post marked April 29, 2011) from Luminant Generation Co., LLC that included an Annual Permit Compliance Certification (Form PCC Part 1) for the period April 1, 2010, through March 31, 2011, and a Certification by Responsible Official (Form OP-CRO1) signed by the DAR, Mr. Ric Federwisch, Senior Vice President. This documentation indicated that the company was in compliance with the terms and conditions of the SOP for the respective period. In addition, a copy of the documentation was submitted to the EPA Region VI in Dallas, Texas. (See Compliance Certification in Region files).

Site Tour

A plant tour was conducted with company representatives identifying the facilities and emission

points covered under the permit. Emission points were clearly identified. The plant was not operating during the investigation.

Exit Interview

An exit interview was conducted May 25, 2011. The company representatives were advised that the facility appeared to be operating in compliance with the applicable rules. Mr. Dunlop discussed the initial findings and the procedures for the record review.

GENERAL FACILITY AND PROCESS INFORMATION

The Graham Steam Electric Station is located in Young County, approximately 2 miles northwest of Graham, Texas along State Highway 380. The area surrounding the plant consists of gently sloping terrain used as range land. (See the Site Location Map, located in the Region Compliance File).

The Graham Steam Electric Station is an electric power generating plant that uses two steam generating units to produce power. Unit No. 1 (GR-B1) is a 248 megawatt (MW) unit that commenced operation in December 1960. Unit No. 2 (GR-B2) is a 387 MW unit that commenced operation in June 1969. Both units are designated to operate using natural gas fired boilers, with fuel oil as a backup supply. These boilers produce steam that is used to power turbines, which produces electricity. Currently, the plant is used as a seasonal peaking station and operates approximately 1000 to 3000 hours annually.

The Graham Steam Electric Station is designated as a "Major" source of emissions for NO_x, SO₂, carbon monoxide (CO), and particulate matter less than ten microns (PM₁₀), and hazardous air pollutants (HAPs). The primary sources of emissions at the site consist of two boilers and storage tanks. (See the Process Description, Plot Plan, and Process Flow Diagram located in the Region Title V Permit File).

BACKGROUND

Compliance History

TCEQ Compliance History was reviewed for this investigation.

Customer Compliance Classification: Average

Customer Compliance Rating: 1.16

Regulated Entity Compliance Classification: High

Regulated Compliance Rating: 0.09

The date of the last on-site air compliance investigation of this facility, as recorded in Region files, was February 28, 2003.

Current Compliance / Enforcement Actions

There were no violations identified as a result of this investigation.

Agreed / Court Orders and Other Compliance Agreements

There are no outstanding orders issued against this facility in the last five years.

Prior Compliance / Enforcement Issues

There were no prior compliance or enforcement issues noted in the Region files within the last five years.

Complaints

File review indicates that there have been no complaints filed against this facility in the last five years.

ADDITIONAL INFORMATION

Conclusions and Recommendations

The SPCI investigation of the Luminant Generation Co. , LLC, Graham Steam Electric Station was completed on May 25, 2011. Based on the investigation and file review, the company appears to be in compliance with applicable Federal and State air quality rules and regulations. No violations were identified during the course of this investigation.

Additional Issues

There were no additional issues identified during the investigation.

No Violations Associated to this Investigation

Signed 
Environmental Investigator

Date 6/29/11

Signed 
Supervisor

Date 6/29/11

Attachments: (in order of final report submittal)

☐ Enforcement Action Request (EAR)

☒ Letter to Facility (specify type) : LC

Investigation Report

☐ Sample Analysis Results

☐ Manifests

☐ NOR

☐ Maps, Plans, Sketches

☐ Photographs

☐ Correspondence from the facility

☒ Other (specify) :

ENV INTERVIEW

Bryan W. Shaw, Ph.D., *Chairman*
Buddy Garcia, *Commissioner*
Carlos Rubinstein, *Commissioner*
Mark R. Vickery, P.G., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

June 29, 2011

Mr. David Lamb, Air Compliance Coordinator
Luminant Generation Co., LLC
500 N. Akard St., LP 9
Dallas, Texas 75201-3302

Re: Compliance Investigation at:
Graham Steam Electric Station, Highway 380, Graham (Young County), Texas
RN102563426, Air Acct. No.: YB-0017-V, Investigation No. 915560

Dear Mr. Lamb:

On May 25, 2011, Mr. Lance Dunlop of the Texas Commission on Environmental Quality (TCEQ) Abilene Region Office conducted an investigation of the above-referenced facility to evaluate compliance with applicable requirements for air quality. No violations are being alleged as a result of the investigation.

The TCEQ appreciates your assistance in this matter and your compliance efforts to ensure protection of the State's environment. If you or members of your staff have any questions regarding these matters, please feel free to contact Mr. Dunlop in the Abilene Region Office at (325) 698-9674.

Sincerely,

A handwritten signature in cursive script that reads "Michael Taylor".

Michael Taylor
Air/Waste/Water Section Manager
Abilene Region Office

MT/LD/cq

Attachment 1

Exit Interview Form

1 Page

YB-0017-V

RN102563426

Luminant Generation Co., LLC

Graham Steam Electric Station

May 25, 2011

TCEQ EXIT INTERVIEW FORM: Potential Violations and/or Records Requested

Regulated Entity/Site Name <i>LUMINANT, BERRHAM STEAM ELECTRIC STATION</i>		TCEQ Add. ID No. RN No. (optional) <i>YB-0017-V RN 102563426</i>	
Investigation Type <i>SPC1</i>	Contact Made In-House (Y/N) <i>/</i>	Purpose of Investigation <i>TITLE V COMPLIANCE</i>	
Regulated Entity Contact <i>IVAN RODRIGUEZ</i>		Telephone No. <i>(214) 875 8343</i>	Date Contacted <i>5/25/11</i>
Title		Fax No.	Date Faxed

NOTICE: The information provided in this form is intended to provide clarity to issues that have arisen during the investigation process between the TCEQ and the regulated entity named above and *does not represent final TCEQ findings related to violations*. Any potential or alleged violations discovered after the date on this form will be communicated by telephone to the regulated entity representative prior to the issuance of a notice of violation or enforcement. Conclusions drawn from this investigation, including additional violations or potential violations discovered (if any) during the course of this investigation, will be documented in a final investigation report.

Issue		For Records Request: identify the necessary records, the company contact and date due to the agency. For Alleged and Potential Violation issues: include the rule in question with the clearly described potential problem. Other type of issues: fully descr.	
No.	Type ¹	Rule Citation (if known)	Description of Issue
<i>1</i>	<i>O</i>		<i>no violations noted</i>

¹Issue Type Can Be One or More of: AV (Alleged Violation), PV (Potential Violation), O (Other), or RR (Records Request)

Did the TCEQ document the regulated entity named above operating without proper authorization?	☐ Yes ☒ No
Did the investigator advise the regulated entity representative that continued operation is not authorized?	☐ Yes ☒ No

Document Acknowledgment. Signature on this document establishes only that the regulated entity (company) representative received a copy of this document and associated continuation pages on the date noted. If contact was made by telephone, document will be faxed to regulated entity; therefore, signature not required.

 Investigator Name (Signed & Printed)	<i>5/25/11</i> Date	 Regulated Entity Representative Name (Signed & Printed)	<i>5-25-11</i> Date
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If you have questions about any information on this form, please contact your local TCEQ Regional Office.

Individuals are entitled to request and review their personal information that the agency gathers on its forms. They may also have any errors in their information corrected. To review such information, call 512-239-3282.