



STATE OF NEVADA

Department of Conservation & Natural Resources

DIVISION OF ENVIRONMENTAL PROTECTION

Jim Gibbons, Governor

Allen Biaggi, Director

Leo M. Drozdoff, P.E., Administrator

NOTICE OF PROPOSED ACTION

December 27, 2007

Pursuant to Nevada Revised Statutes (NRS) Chapter 445B, the Nevada Administrative Code (NAC) Chapter 445B, and the Clean Air Act, the Division of Environmental Protection is issuing the following notice.

The Administrator received an application to issue an operating permit to construct for a Class I facility from the following applicant:

Toquop Energy, LLC
Three Riverway Suite 1100
Houston, TX 77056

The project is located in southern Nevada, approximately fourteen miles northwest of Mesquite, Nevada in Lincoln County. The Administrator has prepared tentative determinations regarding the operating permit that, in brief, are the following:

- One 750 MW, nominal pulverized coal-fired boiler
- Two auxiliary boilers
- Coal unloading, storage, reclaim and crushing operations
- One fly ash storage silo
- One bottom ash bunker
- One lime storage silo
- One activated carbon storage silo
- Gypsum and quicklime handling and storage operations
- One 1,060,000 gallon distillate fuel storage tank
- One Diesel powered firewater pump
- One Diesel powered emergency generator

On the basis of the preliminary review and the requirements of the NRS, the NAC and the Clean Air Act the Administrator is hereby announcing his intent to issue a Class I air quality operating permit to construct based on a review of the information, as proposed. A copy of the draft operating permit to construct is available for public inspection at:

LINCOLN COUNTY LIBRARY
63 MAIN STREET
PIOCHE, NV 89043
(775) 962-5244

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MESQUITE LIBRARY
121 WEST FIRST NORTH STREET
MESQUITE, NV 89027
(702) 507-4080

For this proposed facility, two ambient air impact studies were conducted: one to demonstrate compliance with the Nevada Ambient Air Quality Standards (NAAQS), and one to demonstrate compliance with the allowable Prevention of Significant Deterioration (PSD) Increment Standards.

The results of the preliminary modeling analysis indicate that the air quality impacts from the Toquop facility exceeded the Class 2 Significant Impact Levels for NO₂, SO₂ and PM₁₀, at specific averaging periods, and therefore, a full impact analysis was subsequently performed for these pollutants.

Following are the Class 2 Significant Impact Level (SIL) results, with the applicable standard in parenthesis and the applicable averaging periods for the following pollutants, CO, NO₂, SO₂ and PM₁₀. All values are in micrograms per cubic meter:

CO - 8-hour Period result = 80.2, standard = (500);
CO - 1-hour Period result = 599.0, standard = (2,000);
PM₁₀ - Annual Period result = 5.1, standard = (1);
PM₁₀ - 24-hour Period result = 22.6, standard = (5);
NO₂ - Annual Period result = 6.5, standard = (1);
SO₂ - 3-hour Period result = 32.4, standard = (25);
SO₂ - 24-hour Period result = 3.8, standard = (5);
SO₂ - Annual Period result = 0.31, standard = (1)

Following are the NAAQS results, with the applicable standard in parenthesis and the applicable averaging periods for the above mentioned pollutants whose modeled concentrations exceeded the Class 2 SIL. All values are in micrograms per cubic meter:

PM₁₀ - Annual Period result = 13.9, standard = (50);
PM₁₀ - 24-hour Period result = 60.6, standard = (150);
NO₂ - Annual Period result = 13.9, standard = (100);
SO₂ - 3-hour Period result = 84.5, standard = (1,300)

Following are the PSD Increment Standards (Class 2 Area) results, with the applicable standard in parenthesis and the applicable averaging periods for the above mentioned pollutants whose modeled concentrations exceeded the Class 2 SIL. All values are in micrograms per cubic meter:

PM₁₀ - Averaging Period result = 5.17, standard = (17);
PM₁₀ - 24-hour Period result = 19.6, standard = (30);
NO₂ - Annual Period result = 6.9, standard = (25);
SO₂ - 3-hour Period result = 56.5, standard = (512)

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The results of the full impact modeling analysis indicate that the air quality impacts from the Toquop facility will not exceed either the NAAQS or the PSD Class 2 Increment Standards for NO₂, SO₂ and PM₁₀.

Persons wishing to comment upon the proposed determinations by the Administrator regarding this proposed action or to request a hearing pursuant to NRS 445B Air Pollution and NAC 445B Air Controls should submit their comments or request in writing either in person or by mail or fax to:

Rod A. Moore
Nevada Division of Environmental Protection
Bureau of Air Pollution Control
901 South Stewart Street, Suite 4001
Carson City, Nevada 89701-5249
(775) 687-9338
(775) 687-6396 FAX

The application, draft permit, any comments received, and other relevant information may be viewed at the above address or copies may be obtained by requesting in writing at the above address. Public comments will be received through the close of the public hearing referenced below, and will be retained and considered prior to final action on the Class I operating permit to construct.

Pursuant to NAC 445B.3364(9), the Administrator is providing notice of a Public Hearing on the proposed action. The Public Hearing will be on **Thursday, February 7, 2008 in Mesquite, Nevada at 6:00 pm at the following location:**

MESQUITE CITY HALL
CITY HALL MEETING ROOM
10 EAST MESQUITE BLVD.
MESQUITE NV 89027

Please bring the foregoing notice to the attention of all persons whom you know may be interested in this matter.